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# China Report

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1 December 1982

## CHINA REPORT

## RED FLAG

No. 19, 1 October 1982

Translation of the semimonthly theoretical journal of the Central Committee of the Communist Party of China published in Beijing.

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## STRIVE TO BUILD A HIGH LEVEL OF SOCIALIST SPIRITUAL CIVILIZATION

Beijing RED FLAG in Chinese No 19, 1 Oct 82 pp 2-9

[Article by RED FLAG commentator]

[Text] A very important move of the 12th CPC National Congress was that it made the task of building socialist spiritual civilization one of strategic importance, defining the party's fundamental theoretical stand and its principles of action with regard to it.

Since the 3d Plenary Session of the 11th CPC Central Committee decided to shift the whole party's work focus to the modernization of the economy, the CPC Central Committee has, on many occasions, made serious pronouncements in this regard. The most important of these are: First, in the speech [by Ye Jianying] marking the 30th anniversary of the founding of the People's Republic, approved by the 4th Plenary Session of the 11th CPC Central Committee, it was pointed out: The goals of our socialist modernization drive are not confined to the development of the productive forces. "Along with the reform and improvement of the socialist economic system, we will reform and improve the socialist political system and develop an advanced socialist democracy and a complete socialist legal system. While building an advanced material civilization, we want to raise the educational, scientific, cultural and health levels of the whole nation, foster lofty revolutionary ideals and morals, develop a rich and multifaceted cultural life, and thus build an advanced socialist spiritual civilization." Later, in December 1980, the central working conference discussed this question as an important item on its agenda and pointed out sharply: Without spiritual civilization, communist ideology and communist morality, how can it be possible to build socialism? The "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC," adopted by the 6th Plenary Session of the 11th CPC Central Committee, in summing up historical experience and lessons, further affirmed the idea that life under socialism must attain a high ethical and cultural level, and summarized the objective of the party's struggle in the new period as one of turning China into a powerful, modern socialist country which is highly democratic and highly cultured. This is to say that our program of socialist modernization as a whole consists of the unity of a high level of socialist material civilization, a high level of socialist spiritual civilization and the unity of socialist economic construction and socialist political, ideological and cultural development.

This overall construction program, adopted since the 3d Plenary Session of the 11th CPC Central Committee, has now been affirmed by the party's national congress and developed systematically in the documents of the 12th party congress.

In dealing with this question, the party Central Committee proceeds not from abstract concepts, but from the new situation and new problems in actual life and from the historical experience of the development of socialism in our country and in other parts of the world. The elaboration on socialist spiritual civilization in the report to the 12th party congress rises from reality and history to the theoretical level and contains deep thoughts with regard to scientific socialist theory. Among them, the comprehensive epitome of the characteristics of socialism, the explanation of the concepts of material civilization and spiritual civilization, the elucidation on the dialectical relationship between material civilization and spiritual civilization and the view of socialist spiritual civilization having communist ideology at its core all represent new ideas. We should conscientiously study and consider these theses and, from a high theoretical and political vantage point, recognize the significance and role of socialist spiritual civilization in our program and strategy for building socialism as a whole, to guide us in both thought and action.

#### Marxist Explanation of the Concepts of Material Civilization and Spiritual Civilization

The concepts of civilization, material civilization and spiritual civilization, particularly that of civilization, are used extensively in Chinese and foreign documents and in daily life. But, in using these concepts, people often differ greatly in angles and emphases. Therefore, the meaning of these concepts is varied and not unified. In Marxist documents, the concept of civilization is also often used, and its meaning is not quite definite, either. Since practice has made clear that these concepts should be the basic concepts for making a Marxist analysis of social life, the concept of socialist spiritual civilization should become a basic concept of scientific socialist theory. Thus, it is an essential task for us in theoretical research to give these concepts an accurate Marxist explanation. The report to the 12th party congress has provided the foundation for such an explanation.

The report to the 12th party congress explains these concepts from the angle of the practical activities of mankind in transforming the world. This angle is the basic starting point for Marxists to observe and analyze the social life of mankind. The report cites remarks by Marx and Mao Zedong as the basis of its line of reasoning.

Mao Zedong is quoted as saying that the proletariat and other revolutionary people face a twofold task in their struggle for the transformation of the world: to change the objective world and, at the same time, their own subjective world. This is true for the struggle of the proletariat and also for the entire history of mankind. Marx, in analyzing the process of the disintegration of the primitive commune, said that in productive

activity, not only the objective conditions are changed, but the producers themselves change. To explain the concept of civilization in this way, we should say that civilization, as the result of the transformation of the world by mankind, came into being together with human society, because the history of mankind began precisely with human efforts to transform the world.

Of course, it is also often said that mankind entered the civilized age at a certain time, and before that mankind was uncivilized. This division, however, is relative. In fact, it is a division between different degrees of development of civilization. Continuing to use the viewpoint of Morgan's book "Ancient Society," Engels defined the period in which man lived primarily by gathering natural products and when manmade articles were used mainly as supplementary tools for the gathering of these natural products as the age of barbarism, the period in which man learned to engage in animal husbandry and agriculture as the uncivilized age, and the period in which man learned to further process the natural products, that is, the period in which industry and arts came into being, as the civilized age. We should understand this in the sense that it is a relative division based on degrees of development of civilization. (Subsequently, when higher standards were used to make another relative division, we see that Marx, Engels and Lenin called the capitalist society marked by big industry the civilized society, and the society before it the uncivilized society. At the same time, when they began to expose the system of exploitation, especially the barbaric circumstances concomitant with civilization under the capitalist system, they further pointed out that only under the socialist and communist system, with the elimination of exploitation, will the truly civilized age of mankind begin.

Civilization consists of a material aspect and a spiritual aspect. The transformation of nature results in material civilization, as manifested in improved conditions for material production and in a better material life for the people. In the process of transforming the objective world, people also transform their subjective world, and the production of spiritual values and the spiritual life of society also develop. The latter achievement is what we call the spiritual civilization, as manifested in a higher educational, scientific and cultural level and in higher ideological, political and moral standards.

This explanation in the report shows the vastness of the sphere of spiritual civilization. The so-called transformation of the people's subjective world should not be understood only as the transformation of their ideology, but should also include the development and transformation of the people's knowledge, achievements and cognitive ability and methods, and the development and transformation of the people's sentiment, will and sense of beauty.

Spiritual civilization includes, on the one hand, two major aspects: knowledge and culture, ideology and morality, or many attributes with these two main aspects as their basic contents; and, on the other hand, two spheres, namely, the sphere of the individual and the sphere of society,

ranging from the individual's cultural, scientific, political and moral accomplishment, sense of beauty and mental outlook to the production of spiritual values, the spiritual life and customs and practices of society. In a word, it covers the development and transformation of the entire spiritual world of mankind.

While differentiating between material civilization and spiritual civilization, we must note that both are the result of interaction between material and spirit, objectiveness and subjectiveness. Tools used for material production result from the materialization of man's intelligence and science. On the other hand, products of spiritual production require a material outfit. All cultural undertakings--whether they are in the fields of education, science, literature, art, journalism, publications, radio broadcasts, television, public health or athletics and whether they involve libraries, museums or cultural relics--require material conditions and facilities. Thus, material civilization contains a spiritual element, while spiritual civilization has its material aspect.

The transformation of society and the establishment and development of new relations of production and new social and political systems are propelled and brought about by the development of material civilization and spiritual civilization. On the other hand, they also promote the development and determine the nature and orientation of these two kinds of civilization. In the final analysis therefore, the progress of society should be measured by using the development of material civilization and spiritual civilization as a yardstick.

The nature of civilization, both material and spiritual, is determined by the social system and the mode of production. This is an inevitable conclusion from the basic viewpoint of historical materialism. Marx stated repeatedly that the mode of production in material life governs the whole process of social, political and spiritual life. A given mode of material production created, first, a certain type of social structure and second, a certain relationship between man and nature. These two things determine man's state system and the way of his spiritual life, and as such, they also determine the nature of his spiritual production. From this viewpoint, we can see that with the changes in the mode of production in man's material life, civilization has developed from a primitive communal civilization to the slave system, feudalism, capitalism and socialism.

Socialist civilization is a civilization related to and suited to the socialist mode of production. Based on the socialist relations of production, it will inherit and assimilate all valuable material and spiritual fruits of man's civilization, let them be enjoyed by the working people and use them for the purpose of satisfying the needs and raising the level of the people's material as well as spiritual life. On this basis, it will develop and create a new civilization, the highest spiritual civilization and material civilization of mankind.

When we talk about socialist civilization, we proceed from and only from, the fact that the fruits of material civilization are enjoyed by the people

under the socialist system, and they serve the people and socialism. We do not mean that the contents of material civilization, themselves, can be classified as being capitalist or socialist. When talking about socialist spiritual civilization, we refer to the nature of the spiritual civilization under the socialist system as a whole. In certain aspects of spiritual civilization, the ideology involved can be described as socialism or capitalism. In other aspects, for example, knowledge of natural science, spiritual civilization is just like material civilization, and it is described as being socialist because it is enjoyed by the people and serves the people and socialism. We do not mean to say that the contents of spiritual civilization themselves can be differentiated into capitalism and socialism. This must be made clear in applying these concepts.

#### Socialist Spiritual Civilization Is an Important Characteristic of Socialism

In the report [to the 12th CPC National Congress] there is one terse paragraph commenting on the socialist characteristics:

"Socialist spiritual civilization constitutes an important characteristic of the socialist system and a major aspect of its superiority. In the past, when referring to the characteristics of socialism people laid stress on the elimination of the system of exploitation, public ownership of the means of production, distribution according to work, planned and proportionate development of the national economy and political power of the working class and other working people. They also laid stress on another characteristic of socialism, the high development of the productive forces and a labor productivity higher than that under capitalism which were both regarded as a necessity and the end result of socialist development. All this is undoubtedly true, but it does not cover all the characteristics. Socialism must possess one more characteristic, that is, socialist spiritual civilization with communist ideology at its core. Without this, the building of socialism would be out of the question."

This leads to an important theoretical and practical question of how to generalize the characteristics of socialism and whether it is an all-inclusive generalization.

Is the above proposition well-grounded? Yes, it is.

In 1886 some people wanted to compile a literary collection entitled "What Is Socialism?" and asked Engels to contribute a short article. In response to this, Engels wrote: "Our view of the characteristics that distinguish a future noncapitalist society from our present society is a definite conclusion drawn from historical facts and the process of development. Without these facts and experiences, there would be no theoretical and practical value whatsoever. In my book 'Herr Eugen Duehring's Revolution in Science,' I tried to describe and explain the economic aspects of these characteristics. I have not been able to shorten this incomprehensive general description which is irrelevant to social problems, whether they are political or noneconomic in nature."

Engels' description of the characteristics of socialism contained in his book "Anti-Duehring" was reprinted in his pamphlet "Socialism: A Development From Fantasy to Science." This pamphlet, which Marx termed a popular little book on scientific socialism, was confined to the analysis of the economic aspects of the characteristics of socialism and only stressed that the proletariat would gain social rights, turn the means of production into public property to put an end to the separation of the producer and the means of production, and replace the anarchic state in the entire social production with production conducted according to predetermined schedule. This pamphlet did not discuss the other aspects of the characteristics of socialism because of limited space and because it was necessary at that time to first bring out the most important and decisive aspect, namely, the economic aspect. The opponents of Marx and Engels in polemics denied and overlooked the decisive role of the economy, a basic principle. The scientific socialism of Marxism is a definite conclusion derived from the analysis of the objective economic developmental process and distinguishes itself from utopian socialism that is divorced from the objective economic developmental process, and it proceeds purely from an ethical viewpoint. Therefore it was completely right for Engels to do what he did. Meanwhile, he also pointed out that the description of the economic aspect was still not an all-inclusive generalization of the characteristics of socialism.

In his work "Critique of the Gotha Program," Marx discussed the political aspects of the subject by elaborating on the idea that the proletariat should exercise revolutionary dictatorship during the transition from capitalist to socialist society. He also put forward the idea that, in the first phase of communist society, the laborer would draw from the social stock of means of consumption what the same amount of labor would cost. This is what people call the idea of distribution according to work, which is different from the idea of distribution according to need in a higher phase of communist society. Thus, Marx further delineated the economic characteristics of socialism.

Although all these are extremely important theses on the characteristics of socialism, they still cannot comprehensively generalize all such characteristics. However, there was no such need to do so at that time, and Marx did not set himself such a task. This is why Marx and Engels did not expound on the spiritual life of future society.

Of course, principled elucidations in this regard are of profound significance for us to transform all ideas derived from the old relations of production and old social relations and to develop education, science and art to the full, according to socialism. Lenin led the October Revolution to victory and then organized the people to strive to carry out the current task of building socialism. The situation posed revolutionary leaders the question of comprehensively generalizing the characteristics of socialism. In expounding the characteristics of socialism, Lenin particularly stressed the development of the productive forces and higher productivity than that in capitalist society, in addition to repeatedly explaining the above-mentioned points. He put forward the formula that communism meant Soviet state power plus the electrification of the country. He also said:

Communism means productivity created by united, voluntary and conscientious workers with advanced technology that is higher than the productivity in capitalist society. With the greatest proletarian revolutionary courage, Lenin did away with the mechanistic concept that socialist revolution can be carried out only in capitalist countries with the most developed productive forces. At the same time, he who kept a clear head as a Marxist stressed: In a country which has won the victory of the socialist revolution, but whose productive forces are less developed, the greatest efforts must be made to develop productive forces in order to lay a proper material and technical base for socialist society. It is entirely correct and of great significance for Lenin to have emphasized this characteristic of socialism. Of course, socialism does not yet possess this characteristic, but should have it. This characteristic is a prerequisite for the development of socialism and an end result of its development.

However, while stressing Lenin's thoughts in this respect, one must also note that Lenin never regarded the development of productive forces as the only task for building socialism. It was Lenin who repeatedly expounded the great significance of communist education, ethics, discipline and attitude toward work. He said: "It will take many years, even many decades, to establish a new labor discipline, create new forms of social ties between people and initiate new ways and means to draw people to participate in work. This is a most noble work and will produce the most results." He said: "Overcoming one's own conservatism, laxity and petty bourgeois egoism is the beginning of a change more difficult, more important, more profound and more decisive than overthrowing the bourgeoisie. The fundamental task of the Communist Party is to help train and educate the working masses so that they can overcome the old habits and practices left over from the old system--the habits and practices of private owners which are deep-rooted among the masses."

It was Lenin who suggested that, after the socialist political and social changes, it was necessary to carry out cultural changes and cultural revolution, that is, to achieve a higher level of universal education and develop material production, for only in this way would a country become completely socialist. He pointed out that it is necessary to acquire all sciences, technologies, knowledge and arts and use them to build socialism. Thus it was Lenin who set out the tasks in many areas of what we now call building socialist spiritual civilization, although he had not yet formed such a concentrated concept.

In light of the tradition of the Chinese revolution in winning victories through protracted, arduous struggles by relying on the guidance of the correct ideology, the political consciousness and dedication of the cadres and masses, and the rich experience unique to our party and army in ideological and political construction, Mao Zedong laid great stress on the important role of strengthening ideological and political work and developing the revolutionary spirit in building socialism. He also put forward many correct and profound ideas in this respect. For example: "Political work is the life-blood of all economic work." "Ideological and political work is the guarantee for the completion of economic and technical work."

"We should maintain the same vigor, the same revolutionary enthusiasm and the same daring, death-defying spirit we displayed in the years of revolutionary war, and carry on our revolutionary work to the end."

Now our party Central Committee has inherited the correct ideas of Lenin and Mao Zedong in this respect and summed up the lessons from the mistakes we made in this area. In the past, mainly under the "left" errors of widening and absolutizing class struggle, we failed to shift the focus of our work to economic construction and, for a long time, underestimated the importance of education, science and culture. Because of taking class struggle as the key link, our ideological and political work became very narrow in scope, and the method used was very simplistic and crude. In economic construction, we also made the mistake of exaggerating the role of subjective will and revolutionary spirit, violating the objective economic laws and neglecting the masses' material interests. In the past few years, we have resolutely corrected these "left" errors. At the same time, we have studied the new problems confronting us and new experience gained in this area after shifting our work focus to economic construction and put forward the basic task of striving to build a socialist spiritual civilization while building a socialist material one. We have thus established our program for building socialism in an all-round way and our theory summarizing all the characteristics of socialism. This is a new conclusion obtained from the historical facts and course of development of socialism and is undoubtedly of great theoretical value and practical significance.

#### The Relationship Between Spiritual and Material Civilization in Building Socialism

There is the viewpoint that spiritual civilization is determined by material civilization; that without a high level of material civilization, building a high level of spiritual civilization is out of the question; and that with the development of material civilization, spiritual civilization develops naturally. This viewpoint is incorrect.

Marxism stresses the decisive role of the productive forces in social development, which is a fundamental principle of historical materialism. The decisive role here is in the sense of the final analysis, refers to the entire course of historical development, and should not be oversimplified. In analyzing the interrelation between material and spiritual civilization, we cannot cast aside the social system. As viewed from the entire course of the development of the history of mankind, the progresses of material civilization, spiritual civilization and the social system respectively are in harmony and balanced. However, in each specific historical period and each different country, the development in these three areas is often uneven. Because of the influence of the social system and other factors, and because spiritual civilization encompasses a vast sphere, the state of evenness and unevenness between the levels of development in various different sectors of spiritual civilization and the levels of development of material civilization presents a complex picture.

Under the capitalist system, material civilization is highly developed in some countries, but in others, because of long periods of aggression, oppression and plunder by developed countries, material civilization is extremely backward. In the developed capitalist countries, the development of material civilization and progress in science and technology are not equally enjoyed by all members of society, and are often accompanied by spiritual cruelty, barrenness and degeneration. Aren't these the most obvious ugly phenomena under the capitalist system?

Under the socialist system, we should seek harmonious and mutual-promoting development of material and spiritual civilization. However, unevenness still exists, except that its nature and circumstances are fundamentally different from those under the capitalist system. In the actual course of the world's historical development, the socialist system was not first established in countries with the most developed material civilization. This fact has long since refuted the simplistic understanding of the historical materialist theory on the decisive role of developing, productive forces. Our country has established a socialist system, but our socialist system is still in the initial stages of development and our material civilization is not highly developed. However, our socialist system makes it possible for the fruits of material civilization to be enjoyed by all people and makes the development of material civilization to serve the people and society. This is different from any society ruled by the exploiting classes. The socialist system calls for, and will eventually ensure, the development of material civilization at a fairly quick pace in our country. Through the concerted struggle of our masses of people, we certainly can change our state of underdevelopment caused by deep, historical reasons and build a high level of socialist material civilization. However, the building of a high level of socialist spiritual civilization does not necessarily have to wait until the material civilization is already highly developed, just as socialist revolution did not have to take place first in countries with the most developed productive forces. The report puts it well: "The establishment of the socialist system makes it possible for us to build a high level of socialist spiritual civilization while striving for a high level of material civilization, just as the development of a modern economy to a certain level and the appearance of the most advanced class of our time, the working class, and its vanguard, the Communist Party, make it possible to succeed in socialist revolution."

Among the various aspects of spiritual civilization, the development of undertakings such as education, science and culture requires appropriate material and technical means whose scale, quantity and technological level, to a large extent, depend on the level of development of material civilization. However, the people's ideological and political consciousness and moral standards, mental outlook and spiritual life of the society, in other words, the ideological content of spiritual manifestations and social relations and practices can reach a very high level as a result of the establishment of the socialist system and the consciousness and struggle of the masses of people under the leadership of the Communist Party. This is not only possible, but a matter of course, and has been proven by history. The popularization and development of Marxism and communist ideals in the whole

society among the masses of people, the establishment and promotion of socialist relations of unity and mutual assistance among the people, and the formation of new ethical concepts and consciousness in observing discipline and social customs and practices are the most important and realistic manifestations of the superiority of the socialist system. The socialist system and its spiritual civilization provide a strong impetus for the development of material civilization and will ultimately create a material civilization higher than that of capitalism. Then, the superiority of the socialist system will be fully manifested.

In discussing the erroneous view that spiritual civilization develops in the course of the development of material civilization, we must point out that although material civilization is an indispensable foundation for socialist spiritual civilization, it will not develop simply because it has the foundation provided by material civilization. The development of socialist spiritual civilization requires that the broad masses of people, relying on this foundation and under the leadership of the Communist Party, consciously make unremitting and hard efforts. At the same time, the building of material civilization needs the spiritual impetus provided by socialist spiritual civilization to ensure its development along the correct course.

When we say our modernization is socialist modernization, we mean that as a social process, our modernization requires not only the development of material civilization, but also that the socialist system and socialist spiritual civilization ensure the socialist orientation of this development. The building of socialist spiritual civilization is one of the most important guarantees for our adherence to the socialist road and concentration of our efforts on building the four modernizations.

The report says: If the great task of building a socialist spiritual civilization guided by communist ideology is overlooked, people will fall into a one-sided understanding of socialism and direct their attention exclusively to the building of material civilization or even only to the pursuit of material gains. In that case, we will not be able to safeguard the socialist orientation of China's modernization, and our socialist society will lose its ideals and objectives, its spiritual motivation and fighting will, lose the ability to resist the inroad of corrupt influences and even develop distortedly and degenerate.

This is an important exposition which merits our deep thought. Only when we understand the dialectical relationship between material and spiritual civilization can we regard the building of spiritual civilization as a strategic goal which concerns all aspects of socialist construction, can we understand that the building of spiritual civilization is an important question having a vital bearing on the success or failure of socialism, can we regard the struggle for building a high level of socialist spiritual civilization as a task for the whole party, a common task for all fronts and an honorable task every cadre and citizen is obliged to take part in. Every builder of spiritual civilization should realize his solemn obligation. His entire work should serve, but not deviate from and much less undermine socialist and communist education among the people. He should

also work to help and promote the building of material civilization. Every builder of material civilization should realize that he, too, shoulders the task of building spiritual civilization. He should not only produce more and better material products but also train one generation after another generation of new socialist people for the purpose of material production. He should by no means obstruct or undermine the building of socialist spiritual civilization under the pretext of carrying out economic policies, measures and work. Moreover, he should pay attention to and support the development of cultural construction in various fields. In this way, socialist spiritual civilization becomes a great motive force for building material civilization and the building of material civilization gradually satisfies the material and cultural needs of the whole people and ensures free, all-round and full development of the people's spiritual life. Thus, in the building of spiritual and material civilization, each is the condition and objective of the other.

#### The Relationship Between the Cultural and Ideological Building in the Building of Socialist Spiritual Civilization

Comrade Hu Yaobang pointed out in his report: "The cultural and ideological aspects in socialist spiritual civilization permeate and promote each other." In both theory and practice, we must stress the unity of these two aspects and must not use one aspect to negate or belittle the other. Cultural development, which is very important, becomes even more important when our task is shifted from revolution to construction. The historic resolution adopted by the 6th Plenary Session of the 11th CPC Central Committee called on us to resolutely liquidate the erroneous views, such as underestimating the importance of education, science and culture and discriminating against intellectuals, which existed over a long period and reached a climax during the "Cultural Revolution." The report again pointed out: "In the past, owing to the influence of 'left' ideas and the small-producer mentality, such erroneous views were rife in our party over a considerable time. They seriously hindered the building of material and spiritual civilization in our country." For this reason, raising the understanding and strengthening the work of cultural development is especially urgent at present.

The report, delivered at the 12th CPC National Congress, regards the development of education and science as one of the three strategic priorities in China's economic growth, expresses the determination to gradually close the gap between cultural and economic development, and reiterates the decision that universal primary education must be achieved in the main by 1990 throughout the country, a task which should have been fulfilled long ago. The report also urges that development plans and goals for other cultural undertakings covering the next 5 to 10 years should also be worked out. These are the important tasks in building socialist spiritual civilization.

At present, the party is calling on the ranks of the cadres to become more revolutionary, better educated and more professionally competent and the people of the whole country to become idealistic, moral, cultured and with sense of discipline, thus stressing the unity between ideological consciousness and knowledge of culture. The raising of people's cultural and

scientific knowledge is related to the raising of their ideological consciousness in view of the fact that mastering the Marxist world outlook and scientific theory will enable people to form their consciousness, ideals and convictions on a scientific basis and especially in view of the fact that mastering the professional knowledge required for socialist construction will enable people to put their ideological consciousness into practice in that construction.

There were a number of revolutionary martyrs whose level of education was not so high, but their revolutionary consciousness and sacrificial spirit will forever be our model and guide us in advancing. Of course, from now on, we cannot say for sure that people with a high level of education must also have a high level of ideological consciousness. If those martyrs were still living today, they would certainly respond to the call of the times and the party and strive to raise their cultural level and would never be complacent with, or proud of, their culture.

The socialist character of our spiritual civilization is determined by ideological education, which is the soul of cultural development. The development of all cultural undertakings must be guided by the Marxist world outlook and communist ideology. In view of some specific historical conditions, it is currently especially urgent to stress the importance of ideological education in building socialist spiritual civilization. Looking back in our history in the years of the revolutionary war and under the difficult material conditions, we formed a high level of revolutionary consciousness, ideals, morality and a new type of human relations among our revolutionary ranks and in our revolutionary bases, which attracted the people of the whole country, especially young people, and constituted an important guarantee for the victory of the revolution nationally. After the nationwide liberation in the pioneering stage of our socialist construction, the high degree of enthusiasm among the people of our country in studying Marxism and politics, and the spirit of serving the people wholeheartedly, cleaned up the filth left by the old society, formed a brand-new social practice and value, and gave strong impetus to our socialist cause, thereby demonstrating the great superiority of the socialist system in spiritual civilization and winning the respect of revolutionary people all over the world.

The mistakes and turmoil of the "Great Cultural Revolution" confused the people's sense of right and wrong, good and evil, and beauty and ugliness. They delayed and destroyed the building of material as well as spiritual civilization and dampened the people's conviction in Marxist ideology and the communist ideal, thereby giving rise to the corruptive ideas of bourgeois ultraindividualism and anarchism. The consequence has been extremely grave.

Since the downfall of the "gang of four," especially since the 3d Plenary Session of the 11th CPC Central Committee, we have brought order out of chaos, restored the true features of Marxism and socialism and liquidated the pernicious ideological influence of Lin Biao and the "gang of four." The situation is rapidly developing toward a healthy direction. But,

eliminating the grave mental consequences that resulted from the "Great Cultural Revolution" is difficult and requires efforts for a long time to come.

Meanwhile, new problems have cropped up under the new situation. In the past few years, we have stressed shifting the emphasis on work, improved the people's livelihood, implemented the principle of distribution according to work, adopted the policy of opening to the outside world and of revitalizing the economy at home, and encouraged some people to get rich first. All this is correct and necessary and has gained marked results as well as the people's support. But, because of continuing class struggle within certain limits, because of the impact of the habits of the old-time private property owners and the impact of foreign capitalist ideas and because ideological and political work as well as management work cannot keep up with the demands of the changing period, some people now look forward to nothing but money and publicly claim that men die for wealth and birds die for food. All kinds of illegitimate and evil practices have come into existence. Even deplorable social practices, which had disappeared long ago in new China, once again prevail.

We must uphold the party's correct economic policies and encourage the masses' enthusiasm for developing production and for achieving prosperity through hard work. At the same time, we must be wary of the backlash of corruptive and depraved practices in our spiritual life. Through the party's repeated emphasis and the experience of actual life, the whole party and people can now better understand the importance and intensity of this issue. Much has been done and initial results have been achieved on all fronts in promoting socialist spiritual civilization, encouraging healthy trends and striking at evil practices.

The report called for a radical change for the better in the standards of social conduct and party work style in the next 5 years. It also pointed out that the party's ideological construction is the pillar that supports the whole society in building spiritual civilization. Efforts to popularize education of ideals, morality and discipline among the people throughout China, especially among the young people, are fundamental for a radical change for the better in the standards of social conduct.

We must proceed from within the party and conduct these educational programs successfully. As required by the report, we should arouse, with revolutionary ideas and spirit, the immense enthusiasm of the broad masses for building socialism so that our socialist cause will forever maintain its revolutionary vigor.

CSO: 4004/5

BUILD A GOOD CADRE CONTINGENT ACCORDING TO THE PRINCIPLE THAT THEY MUST BE MORE REVOLUTIONARY, YOUNGER IN AVERAGE AGE, MORE EDUCATED AND PROFESSIONALLY MORE COMPETENT

Beijing RED FLAG in Chinese No 19, 1 Oct 82 pp 10-14

[Article by Song Renqiong [1345 0117 4522]]

[Text] The new party constitution adopted by the CPC National Congress has stipulated in clear and definite terms that "The party selects its cadres according to the principle that they should possess both political integrity and professional competence, persists in the practice of appointing people on their merits and opposes favoritism; it calls for genuine efforts to make the ranks of cadres more revolutionary, younger in average age and more knowledgeable and specialized." The core of the organizational work is the question of cadres. Making the ranks of the cadres more revolutionary, younger in age and more knowledgeable and specialized is a major principle of the party's cadre work in the new period. The comrades of the whole party must resolutely, unconditionally and enthusiastically propagate and conscientiously implement this principle.

The advance and formation of this principle went through a process. After the 3d Plenary Session of the 11th CPC Central Committee formulated the party's ideological and political lines in the new period, in July and August 1979, Comrade Deng Xiaoping inspected Shandong Province, Shanghai and Tianjin. On his inspection tour, he pointed out on many occasions during the journey that since the ideological and political lines have been formulated, the question now is that of the organizational line, that of cadres and in particular, that of selecting successors. Cadres who are competent and fairly young should be selected for promotion. On 29 September in the same year, in his speech delivered at the meeting to celebrate the 30th anniversary of the founding of the PRC, Comrade Ye Jianying stressed the need to pay attention to ensuring that "the ranks of cadres become younger in average age and more specialized step by step" and the need to try our best to "make the situation of our organization suit the political task of realizing the four modernizations." In May 1980, at the forum on the work of selecting and promoting outstanding young and middle-aged cadres, a forum which was convened by the Organization Department of the CPC Central Committee, Comrade Yaobang further pointed out that the so-called ideal leading bodies means that the members of the leading bodies must resolutely

carry out the party's line, uphold the socialist road, possess professional knowledge and organizational and leadership ability, and must be in the prime of life and full of vigor. During this period, Comrade Chen Yun held that in selecting cadres, attention should be paid to the fact that they should possess both political integrity and professional competence. By political integrity, we mean, above all, upholding the socialist road and the leadership of the party. On this basis, the cadres should become younger in average age and more knowledgeable and specialized, and furthermore this method of selecting and using cadres should become a regular practice. The great historically significant decision adopted by the 6th Plenary Session of the 11th CPC Central Committee again clearly affirmed that "the party has decided to put an end to the virtually lifelong tenure of leading cadres, change the overconcentration of power and, on the basis of becoming more revolutionary, gradually reduce the average age of the leading cadres at all levels and raise their level of education and professional competence." From the above-mentioned sketchy review of the past, we can see that the policy of ensuring that the ranks of cadres become "more revolutionary, younger in average age and more knowledgeable and specialized" was worked out by the party Central Committee through careful consideration and on the basis of making repeated deliberations and of drawing on collective wisdom and absorbing all useful ideas. It is the crystallization of the collective wisdom of the party's leading core, it conforms with objective reality and also complies with the common aspirations of the party and the people.

To ensure that the ranks of the cadres become more revolutionary, younger in average age and more knowledgeable and specialized is a major subject put forth by the objective process of the continuous development of our socialist cause. With the 3d Plenary Session of the 11th CPC Central Committee as the milestone, our country has entered a brand-new period of development. During this period, the party should shoulder the heavy responsibilities entrusted by history of leading the people of all nationalities throughout the country in building the economically and culturally backward China into a modern and powerful socialist country. The task of carrying out such an unprecedented pioneering undertaking is extremely arduous. Although the domestic and international situations are favorable for us, we are still confronted with many difficulties. Of the various kinds of difficulties, the conspicuous difficulty is that the present conditions of the ranks of cadres are not suited to the requirements of the new situation. The main manifestations of this situation at present are: 1) historically, the members of leading bodies at various levels are universally 15 to 20 years older than they were before the "Great Cultural Revolution" and the gap between their present average age and that in the 1950's is even wider, that is, the phenomenon of aging is serious; and 2) a considerable number of cadres lack cultural knowledge and scientific and technical know-how, and the number of those who have received systematic professional training and have a knowledge of advanced science and technology and management techniques is even smaller.

This state of affairs is in sharp contradiction with the requirements of the socialist modernization program. If we ignore the question of cadres put forth by the objective process of the great historical turning point and fail to promptly and correctly solve this problem, it will be difficult to

implement the party's political line, let alone continuously carry it out for long years. It is not alarmist talk to raise the question in this way. The practice of the international communist movement has given us grievous lessons. The profound lessons our party has drawn from solving the problem of successors and from building a cadre contingent remain fresh in our memory. Happily, we already have a large number of veteran revolutionaries who enjoy high prestige and command universal respect and have rich experience. At a critical moment in effecting a great turning point in history and facing the question of the cooperation between old and new cadres and the succession of the old by the new, with great foresight, they put forth in good time for the party a correct principle of properly solving the question of cadres, that is, a principle of ensuring that the ranks of cadres become younger in average age and more knowledgeable and specialized on the basis of revolutionization. Experience tells us that only a party which is not only good at formulating a correct political line but also good at formulating the organizational line which ensures the implementation--the effective implementation--of the political line, can be regarded as a mature Marxist party. Ours is precisely such a party.

To ensure the "four modernizations" of the ranks of cadres, it is first imperative to start with the "transformation" of the leading bodies at various levels. Our tentative ideas are that before the convening of the next CPC National Congress, 5 years of efforts should be exerted to substantially raise the political quality of the leading bodies at various levels, and reduce the average age of the members of the leading bodies at various levels by about 5 years compared with that before the organizational reform; by then, the young and middle-aged cadres who possess both political integrity and professional competence will constitute about 70 percent; those who have an educational level of institutions of higher education or above and have mastered certain professional knowledge will make up 60 to 70 percent. In particular: we must have some of the number one and number two men of great ability who can unite and lead all the leading bodies in opening up new prospects in work. Of course, since the various localities at all levels, trades and departments have their own specific tasks, the requirements of the political and ideological levels, age and composition of knowledge for the leading bodies must also differ accordingly. However, we must not waver in marching ahead along the lines of making the ranks of cadres more revolutionary, younger in average age and more knowledgeable and specialized, in building working bodies which are small in number but highly energetic and capable of continuously opening up new prospects in work. Can the above-mentioned tentative ideas be realized? The achievements gained in the organizational reform carried out in the organs under the direct jurisdiction of the party Central Committee and the ministries and commissions under the State Council in the first half of this year make us confident in answering in the affirmative. This reform which took us 4 months not only greatly reduced the authorized size of the party and government bodies at the central level and their staff but also widely reduced the average age of the members of the leading bodies of the ministries and commissions and bureaus under their jurisdiction by 4 to 6 years. According to the statistics of the 38 ministries and commissions under the State Council, the number of ministers, vice ministers and

directors was reduced by 67 percent and the newly promoted young and middle-aged cadres constituted 32 percent of the total sum of members of the newly established bodies; moreover their level of knowledge was higher and more and more people were professionally competent. There are also quite a few successful instances in the localities, departments and enterprises and undertaking units where the organizational reform has not yet been carried out. This shows that the above-mentioned requirements are attainable so long as efforts are exerted.

The crux of the matter lies in the fact that the problem of "retirement" and "promotion" should be solved satisfactorily. By "retirement," we mean conscientiously and properly arranging for batches of old and infirm comrades to retire to the second or third line resolutely in accordance with the regulations of the party Central Committee concerning the retirement system for old cadres and the related regulations of the State Council. The practice of the organizational reform of the party and government central organs shows that the overwhelming majority of our veteran cadres have high political consciousness; can recommend wise and well qualified people out of concern for public interests; can proceed from the overall situation to conscientiously submit to the needs of revolution and the arrangements of the party organizations; can support young comrades whose seniority, prestige and experience are inferior to their own in their newly assigned work, and are willing to be assistants or to retire to the second or third line to take on the task of helping and guiding their young comrades and passing on experience to them. By "promotion" we mean promoting young and middle-aged cadres who have proved themselves to the leading bodies resolutely to be really outstanding after undergoing trials in practice, according to the principle of both political integrity and professional competence. As Comrade Chen Yun said: Not just a few dozen or a few hundred, but thousands and tens of thousands of cadres must be promoted. At present particular attention must be paid to training and selecting outstanding cadres who are about 30 to 40 years old. The promotion and retirement of this kind are closely related. For veteran cadres to withdraw from first-line leading posts is important while for young and middle-aged cadres to be promoted to these posts is more important. Careful and skillful handling is needed in solving the questions of who should retire and what should become of them and who should be promoted and to what posts. The most important thing in this regard is to find the right people and put them to good use.

The guiding ideology of the CPC Central Committee is quite clear on the matter of "promotion," that is, it is imperative to boldly promote cadres who possess both political integrity and professional competence, and are in the prime of life and capable of opening up new prospects in work to leading posts; at the same time, none of the "three types of people" and none of the people who have seriously violated the law and discipline in the political or economic sphere in recent years should be allowed to sneak into the newly established leading bodies. It is the solemn responsibility of the party committees at all levels and the departments of organization and of personnel affairs to manage these two matters well, conscientiously implement the party's standards for selecting cadres and persist in the

practice of appointing people on their merits and opposing favoritism. At the same time, it is also necessary to earnestly heed the opinions of all sides and quarters concerned and the masses, restructure the practices of the organizational and personnel work which do not suit the modernization program and open up new channels for discovering, training and using qualified personnel. Who are the able and virtuous people whom the party and the people want most to select and put in important positions? The three requirements which the party stressed some years ago and the six basic requirements stipulated by the new party constitution for leading cadres at all levels to meet are identical in spirit. The requirements are the embodiment of the dialectical unity of Red and expert and the objectivization of the party's principle of both political integrity and professional competence in the new historical conditions. While grasping and carrying out these requirements, it is essential to strictly ensure the political standard first and to promote the comrades who really have a strong sense of party spirit, are honest and upright in their methods and dare to uphold principles. It is impossible to imagine that a man who lacks firm confidence in socialism and communism, who is alienated from the correct line, principles and politics of the party Central Committee, who is irresponsible in his work, in low spirits and morally degenerate in his conduct, and who violates the law and discipline can shoulder heavy loads in leading socialist construction. However, it is far from enough to pay attention exclusively to political integrity. Only when they become younger in average age and more knowledgeable and have a good grasp of their professions, can our ranks of cadres adapt themselves to the requirements of the new tasks of the new situation. It is a pity that those who possess political integrity without professional competence can hardly take up an important post although admittedly they are politically trustworthy; the professional competence of those who possess professional competence without political integrity is precisely enough to make them more self-seeking and wily.

If we put them in important positions, they will constitute a grave danger to us. At present, we must specially watch out for the people who rose to prominence by following the Lin Biao and Jiang Qing counterrevolutionary cliques; people who are seriously factionalist in their ideas; people who indulged in beating, smashing and looting; people who are opposed to the line followed by the party Central Committee since the 3d Plenary Session of the 11th CPC Central Committee; and people who have seriously violated the law and discipline in the economic and other spheres, and we must never let them sneak into leading posts. None of these types of people must be promoted and any of them who have already been promoted to leading bodies must be resolutely and thoroughly removed from the leading bodies one by one if discovered. This is an extremely important matter which concerns whether or not we can ensure the smooth sailing of the socialist modernization program and ensure the continuity of the party's Marxist line. We must never treat this matter casually.

To judge and select cadres at various levels, we must strictly act according to the basic requirements stipulated in the new party constitution and on no account must we lower the requirements on them in the slightest degree. Then are there thousands and tens of thousands of such qualified personnel

for us to select for promotion? We not only already have such talent but also have rich resources of it. There is no harm here in calculating roughly the age, qualifications and records of service (the tempering they have undergone) and the composition of culture and knowledge of the existing cadres: 1) the comrades who are 36 to 55 years old number 11 million; 2) the number of cadres who took up their work after the victory of the war of resistance against Japan and before the "Great Cultural Revolution" is around 12 million; 3) the comrades who have reached the level of senior middle school graduate or above total roughly 12 million; and 4) the technical cadres of various professions amount to more than 8.3 million. After the founding of the PRC, we trained a total of more than 3.1 million university graduates and over 38 million graduates from senior middle schools and specialized secondary schools, at present the intellectuals who work in the units under the system of ownership by the whole people and under the collective ownership system number more than 25 million. It can thus be seen that it is entirely possible to select those who excel in all spheres and to choose one in a hundred from our huge treasure house of talent and to accelerate the promotion of cadres.

Over the last 2 or 3 years, the party Central Committee and the various localities and departments have done a lot of work in realizing the "four modernizations" of the leading bodies and certain achievements have also been scored in this respect. However, judging the work as a whole, the result is far from satisfactory. This does not mean that we have not yet selected any of the right people but what we mean is that the number of people we have selected for promotion is too meager. This plus the natural growth of the age of cadres has brought about the phenomena in which little change has taken place in the average age of the members of quite a few leading bodies and large batches of comrades who possess both political integrity and professional competence and are in the prime of life have not been promoted to appropriate leading posts. The problems and difficulties in this respect lie in the fact that, as Comrade Deng Xiaoping said: The existing organizational system and the way of thinking of quite a few comrades are detrimental to the selection and use of the talent that is needed most badly in the four modernizations. Where does the way out lie? Comrade Deng Xiaoping said: "We hope that the party committees at all levels will make a big turnaround on this matter, resolutely emancipate their minds, overcome one obstacle after another, break with old conventions and be bold in reforming the system of organization and of personnel affairs which are out of keeping with the times, in vigorously training, discovering and breaking the rules to promote outstanding talent and in waging resolute struggle against all phenomena of suppressing and trampling talent underfoot." In this respect, we, the Organization Department of the CPC Central Committee, did insufficiently in the past.

In the future, together with the comrades of the whole party, we must do our best to act as required by the party Central Committee. First of all, we must further deepen our understanding and in the selection work, we must pay regular attention to opposing feudal ideas, such as the mentality of "replacement according to seniority" and clear away the influence of "leftist" ideology in treating intellectuals, correct the idealist way of

thinking of seeking "all-rounders," "perfect men" and the like in a way that deviates from reality, and really shift the emphasis of cadre work to the acceleration of the "four transformations" of the ranks of cadres so as to realize the "four modernizations" of the country.

It must still be pointed out here that making the ranks of cadres more revolutionary, younger in average age and more knowledgeable and specialized is a principle which should be carried out for long years throughout the whole new period. Carrying out the "transformation" in an on-and-off way will never attain the goal of "transformation." This is not only because people are getting older year after year, that is, today they are in the prime of life and some years later they will grow old and infirm, but also because the development of our cause calls for steady improvement of the requirements of being more revolutionary, knowledgeable and specialized. What is more, whether or not the newly promoted people can be well qualified must also go through trials in practice and they are bound to change. Therefore, we must implement the principle of ensuring that the ranks of cadres become more revolutionary, younger in average age and more knowledgeable and specialized and find good solutions to the problem of the cooperation between old and new cadres and of the succession of the old by the new with extremely great revolutionary toughness and with positive, steady and sure steps. People can see that the organizational reform of the central organs and the ministries and commissions of the State Council has pushed the "four transformations" of the leading bodies a big step further. This is however only the first step. According to statistics for the 34 ministries and commissions connected with the economy under the State Council, there are now 137 ministers and vice ministers as well as directors and vice directors with an average age of 57.93 years old, or 5.7 years less than before the organization reform. This is significant progress. However, if we do not continue selecting young and middle-aged cadres for promotion, after 2 years, their average age will again increase to more than 60 years old. It can thus be seen that if we relax our work a bit or do our work in an on-and-off way, it will be difficult for us to fundamentally free ourselves from a passive position. Therefore, it is imperative to reform the cadre system and to guarantee that the work of making the ranks of cadres become more revolutionary, younger in average age and more knowledgeable and specialized is institutionalized.

The shift of the focus of the party's work and the organizational and structural reforms require us to reform the unsuitable aspects of the cadre system. This is a historical necessity. The two go hand in hand. If we shut our eyes to the needs of development of the situation and do not enthusiastically and resolutely reform the aspects of the cadre system in which conditions are ripe and reform them partially, this will greatly delay our work. On the contrary, things will go contrary to our wishes if we regard this reform as a simple thing or take any hasty action. In reforming the present cadre system, it is first necessary to strictly implement the decision of the party Central Committee concerning the retirement of old cadres. The retirement of the old cadres at various levels must be carried out in accordance with the regulations of the party Central Committee concerning the method of reckoning age. Apart from some specific veteran

comrades who have passed the age limit for retirement but are required to stay in the leading bodies by the decision of the party organizations concerned, the overwhelming majority of the old cadres must retire on the basis of doing a good job of persuasion and making proper arrangements for them. Good care must be given to the retiring old cadres and attention must be paid to bringing their role into play.

While their health permits, these comrades are encouraged to continue to make contributions to the party and the state within their power. When everybody is gradually accustomed to the implementation of the retirement system of cadres through years of efforts, the normal succession of the old by the new will be ensured institutionally. Of course, this system alone is far from sufficient. We must still establish and perfect the job responsibility system for cadres of various types and at various levels from top to bottom in the light of the organizational reform and the systems of assessment, promotion and demotion, and rewards and penalties for cadres which are suited to the job responsibility system; we must further perfect the systems of democratic election and appointment and removal of cadres in the light of perfecting political life and in accordance with the stipulations of the party and the state constitutions. Reform of the cadre system is a new thing. We will surely encounter many difficulties. However, if we fail to resolutely carry out the reform, we are bound to encounter more and greater difficulties. We hope that everyone will work strenuously in this respect and strive to lay a good foundation for further reforming the cadre system through the organizational reform of the units at various levels.

Finally, I would like to discuss the question of vigorously intensifying the education and training of cadres. The rapidly developing socialist modernization program requires us to continuously train and bring up cadres who are more revolutionary, younger in average age and more knowledgeable and specialized in larger quantities and of better quality and to fundamentally raise the quality of the whole contingent of cadres. This is a matter of strategy which has a bearing on the success or failure of our cause. In order to solve this problem, our country is stepping up its efforts and reforming the school educational work so as to infuse new blood into the ranks of cadres. One important task at present and for a period of time to come is that our work should be based on the universal raising of the standard of existing cadres. Apart from continuing to persist in training and tempering the cadres in practice, it is still necessary to train them on a large scale. Recently, the party Central Committee made a decision of strategic importance on training cadres on the job in rotation and urged the party schools at all levels, cadre schools run by government organizations and enterprises, and especially designated institutions of higher education and the specialized secondary schools to shoulder the regular training of cadres in their different capacities. In the future, in our use and promotion of cadres, we must attach importance to educational background and academic records as well as to experience and achievements in work. Therefore, cadres of various types and at all levels must try their best to acquire a certain level of formal learning and of educational knowledge. All cadres who are working and who do not possess the level of cultural knowledge needed in their work should be trained in rotation by stages.

There must be an assessment examination in the vocational training and academic records will be one of the important bases for making appropriate adjustments of cadres. At present, some localities and departments have not attached due importance to the work of training cadres and there are also some cadres who are unwilling to take part in study. This is wrong and must be rectified. We must launch a sustained upsurge for study among the cadres at various levels throughout the nation for the sake of the grand cause of socialist modernization; an upsurge in which people study Marxism-Leninism-Mao Zedong Thought, acquire general knowledge, master scientific and technical know-how and operational and management techniques and study all that is needed to build a high level of socialist material civilization and spiritual civilization. In the last few years, more than 8,100 party schools and specialized cadre schools at various levels have been restored and newly built and the ranks of cadres teaching in such schools have developed into an approximately 100,000-strong contingent; more than 130 institutions of higher education have run special training courses for cadres; the various localities, departments and some medium and large-sized enterprises have run large numbers of cadre training courses, and the number of cadres who have been trained in rotation and received vocational training has increased year after year. According to statistics, the number of leading cadres at county level throughout the country who were trained in rotation from 1979 to 1981 reached more than 200,000, constituting more than half the total of cadres of this category.

Although our work of educating and training cadres is still far from perfect, we have at long last made a good beginning and also accumulated some experience. So long as we make persistent and unremitting efforts and continue to march ahead along the lines of regularization and institutionalization, by the next national party congress, greater progress will surely be made in the quality, both political and professional, of the whole contingent of our cadres, greater improvement will certainly be achieved in the extent to which they are more revolutionary, younger in average age and more knowledgeable and specialized, and new and heartening successes will surely be scored in socialist modernization.

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DEVELOPING SCIENCE IS A STRATEGIC KEY POINT IN CHINA'S ECONOMIC CONSTRUCTION

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[Article by Yu Guangyuan [0151 0342 6678]]

[Text] Comrade Hu Yaobang's report delivered at the 12th CPC Congress has solved a problem of fundamental importance to science, because it has explicitly defined the important strategic position of science in our country's socialist construction. This has required the entire party and people throughout the country to attach importance to science and actively support and promote the development of science from various aspects so that they will play an important role in accomplishing our country's general task in the new historical period.

With regard to science, stressing a scientific attitude and urging vigorous development of scientific undertakings in China is a guiding thought permeating the whole report. While recounting the great historical achievements of the 3d Plenary Session of the 11th CPC Congress, the report points out that the plenary session "has set right the guiding ideology of the party and reaffirmed the Marxist ideological, political and organizational lines." This is the victory of the people and science. The report adds that after the third plenary session, "our party thoroughly summed up its historical experience in all spheres and scientifically explained numerous questions encountered in practical work, which concerned theory and policy in the building of socialism," "in handling various practical problems, we have done our best to act in the scientific and comprehensive way required by Marxism." After citing party achievements scored since the third plenary session, the report concludes: "In the final analysis, our party has been successful in the above efforts because it has adhered to the scientific Marxist principles of combining theory with practice and of recognizing the people as the makers of history." While recounting the socialist nature of the building of spiritual civilization being carried out in China, the report reiterates that the first main element of socialist spiritual civilization comprises the following points: "the working class world outlook and scientific theory of Marxism; communist ideals, beliefs and moral values." In conclusion, the report stresses: "We must resolutely take over and learn to use the stand, viewpoint and method of Marxism-Leninism-Mao Zedong Thought, acquire a deeper understanding of the

actual work in all fields, make systematic investigations and studies, and be good at conducting appropriate criticism and education and waging necessary struggles against wrong tendencies. Provided we persist in doing this, we can certainly accumulate new experience, break new ground in theory and carry forward Marxism-Leninism-Mao Zedong Thought under new historical conditions and in great new fields of practice." We communists should use Marxist scientific truth to guide our actions in revolution and construction and regard it as a basic way of conducting ourselves in society. Therefore, while discussing scientific undertakings, we should, first of all, pay great attention to and actively support Comrade Hu Yaobang's expositions contained in his report concerning the science of Marxism and the importance of sticking to, popularizing and developing it.

The second part of Comrade Hu Yaobang's report "Bring About a Comprehensive Upsurge of the Socialist Economy" expounds strategic objectives of economic development for the next 20 years. It points out: "From an overall point of view, what is most important in our effort to realize the objectives in economic growth is to properly solve the problems of agriculture, energy, transport, education and science." "In short, in the next 20 years we must keep a firm hold on agriculture, energy, transport, education and science as the basic links and the strategic priorities in China's economic growth." In other words, the report regards the development of science as one of the few strategic priorities in economic construction.

In our country's economic construction, there are many things that we should pay attention to. Things which have important influence over the overall situation in the development of our country's socialist economy are not limited to the above-mentioned agriculture, energy, transport, education and science. From some previous work experience, we realize that we should avoid adversely influencing the whole work because of neglecting it while grasping the key links. Therefore, the report urges "effective solution of these problems on the basis of an overall balance." However, among several items it is absolutely necessary to regard some of them as our strategic priorities. When people understand this point, they will know which kinds of work in our economic construction should be taken seriously. This also enables us to make proper arrangements while formulating our plans.

Why should we regard science as a strategic priority in economic construction? As the report pointed out, the most important reason is that "the modernization of science and technology is the key to the realization of the four modernizations." Here I would like to express some specific views on this subject, placing emphasis on productive force, production relations and certain aspects of the superstructure.

First of all, I would like to talk about the direct influence of science on the development of productive forces.

I intend to approach the subject from three angles:

1. Laborers are the most fundamental factors in the social productive force. To ensure continued, steady and rapid development of social

production and the realization of the strategic aims of our country's economic development for this century, we should have sufficient numbers of physical and mental laborers who have attained higher levels of knowledge and skill.

However, in our country, as the report has stressed, "large numbers of workers and staff members lack the necessary scientific knowledge, general education and work skill and there is an acute shortage of skilled workers, scientists and technicians." Complete figures concerning cultural and technical levels of workers and staff members are not yet available. The number of scientific and technical workers (the number of personnel in social sciences not included) who work in units under the ownership of the whole people in the engineering, agriculture, forestry and public health fields and those who are engaged in teaching and research work amounts to 5.71 million people. The proportion of graduate students is very small and the number of university graduates and technical secondary school graduates accounts for 40 percent of the total number of scientific and technical workers. The number of graduates of factory-run and spare-time universities and people with other qualifications accounts for 20 percent. In other words, the number of scientific and technical workers in our country is small, only about 50 or so among 10,000 persons. The percentage of scientific and technical workers in developed countries is much higher. In the meantime, the level of our scientific and technical workers is not high compared with others.

To be more specific, in 1981 there were only 330,000 agricultural and forestry technicians working in the units under the ownership of the whole people, accounting for 0.04 percent of the total agricultural population throughout the country. In other words, on average, there were 5 agricultural and forestry technicians per 100 production teams. Even if the number of agricultural and forestry technicians working in the collective units is included, the total number did not increase considerably. Apart from that, their technical level is uneven. According to incomplete figures, on an average there is only one university or college graduate to every 10 communes and there is only one secondary technical school graduate to every 2 communes. Among party and government cadres at all levels who are leading agricultural production, only a few have acquired professional knowledge. According to a preliminary survey carried out among 2,448 cadres at the provincial, prefectural and county levels who led agricultural production, only 88 of them were graduates of agricultural college or a secondary agricultural school, accounting for only 3.6 percent of the total number of those who were surveyed. ("Training Leading Cadres for Agriculture Is a Task Which Brooks No Delay," published in JIAOYU YANJIU, No 5, 1981)

The above-mentioned situation cannot but adversely affect the development of our economy. If we fail to adopt very effective measures, the problem of low scientific and technical levels among laborers in our country will become more and more serious as our national economy continues to develop.

To change this situation, we should, first of all, strengthen education. Therefore, the report regards the development of education as a key link in the strategic expansion. It stresses: "We must work vigorously to universalize primary school education, strengthen secondary vocational education and higher education and develop educational undertakings of all types and at all levels in both urban and rural areas, including training classes for cadres, workers, staff members and peasants and literacy classes in order to train all kinds of specialists and raise the scientific and educational level of the whole nation." However, education and science are inseparable. The main task and contents of educational work in intellectual education is to pass on scientific knowledge. In the meantime, the raising of teaching levels is also determined by the enhancement of the scientific level. To ensure that our laborers possess knowledge and skills which conform with modernized production, we should arm them with modern science. Therefore, training of talented persons is an important aspect of our efforts in making science serve economic development. In the past when we talked about the role of scientific work, we often stressed the importance of making science serve the national economy and national defense, but seldom mentioned the act of making science serve education. In his report delivered at the 12th CPC Congress, Comrade Hu Yaobang closely integrates education with science and declares that they are the strategic key links in our country's economic construction. This will help us to deepen our understanding of the significance of making science serve education in economic development.

2. With regard to the two essential factors of the social productive force, apart from the essential factor of having laborers who possess certain production knowledge and skills, we should also have another essential factor, that is, various means of labor (or instruments of labor) produced, mastered and utilized by laborers. When world history developed into capitalist society, the creation and invention of the advanced means of labor or the significant improvement of the existing means of labor were the results of scientific research.

With regard to the relations between science and the progress of means of labor, Marx and Engels made many brilliant expositions. A few years ago, when we criticized the fallacy of the "gang of four" which negated the fact that science and technology are productive forces, many comrades quoted the works of Marx and Engels as proof of the criticism. The following is the most frequently quoted passage: "Natural work does not manufacture any machines, engines, railways, telegrams, spinning machines and so forth. They are the products of the labor of mankind. They have become the organs mastered by the will of mankind in order to tame nature and the natural materials of the organs of mankind for carrying out activities in the natural world. They are the organs of mankind's minds which are created by the hands of mankind and are the materialized force of knowledge. The development of fixed capital has shown that social knowledge in general has become a direct productive force to a great extent. Therefore, the conditions of the progress of social life are considerably controlled and reformed by intelligence in general. This has demonstrated that social productive force has been produced to a great extent not only as a form of knowledge,

but also as a direct organ of social practice and the progress in actual life." ("Complete Works of Marx and Engels," Vol 46, pp 219-220)

Some comrades are not accustomed to the way Marx expressed his ideas and think that what he said is difficult to understand. Actually, it is easy to understand the passage. What it means is that such a means of production as a machine is, of course, a "natural material," but it is not a natural thing. It is a "natural material" which is "a product of the labor of mankind" and "created by the hands of mankind." One of the differences between the role of this "natural material" and that of other "natural materials" is that the former is mastered by the "will of mankind" to "tame" things in nature. In this respect, it has the same function as the "organs" of the human body. It is like our arms, hands, legs and feet which are controlled by our will. These means of labor are things directly used by mankind to carry out "social practice" and "be involved in the actual process of life." They are the creation of the minds of mankind and things created by mankind by making use of knowledge and science. Therefore, it is appropriate to say that they are the "organs of human minds" and the "materialized force of knowledge." After they have been created, they can turn social knowledge in general into a direct productive force. Due to the fact that under the capitalist system machines and other such things are regarded as fixed capital, the history of the development of the means of labor under the capitalist system is taken as the history of the development of fixed capital. Therefore, Marx said that the history of the "development of fixed capital" reflects to what extent scientific knowledge has been turned into a direct productive force and how social productive force, which has been realized in the "form of knowledge," has been turned into the material productive force which has played a direct role in social practice and actual life with the creation, invention and production of machines and other such things.

We all know that social productive force is material force but that science itself is a spiritual thing. Comrade Hu Yaobang says in his report: "While changing the objective world, people also transform their subjective world and develop spiritual production and spiritual life in society. The result of this constitutes spiritual civilization." He also points out that the progress of science is the result of spiritual production in society and that science is an important aspect of spiritual civilization. Since sciences belong to the spiritual side, a process of "materialization" is needed in order to turn them into material force. The role of sciences in education which we talked about previously is manifested as materialization of sciences in the substance of the human brain; and the role of creation and invention in improving the means of labor which we are discussing now constitute the materialization of sciences in these means of labor.

With regard to the specific role of sciences in creating, inventing and improving the means of labor, anyone can cite many practical examples. The whole of the recent history of the world proves this. Here, we would like to remind people that they should not take the means of labor to mean merely machines and facilities. A correct understanding should be: All material means mastered by laborers to conquer and reform nature fall into

the category of the means of labor. The increase in quantity and level of the instruments of labor and the creation and application of new means of labor play a role in promoting social production. For instance, the role played by fine varieties in agriculture and animal husbandry is the same as that played by machines in industrial production. By using them in production, we can effectively enhance labor productivity in agriculture and animal husbandry and increase the output of agricultural products in society. The successful cultivation of fine varieties is the result of materializing sciences.

Let us cite hybrid rice as an example. In 1970, scientific workers in our country discovered the scientific fact of the existence of a "wild sterile rice plant" (the wild staminiferous sterile rice plant). In 1972, we succeeded in cultivating a staminiferous sterile strain and its maintenance strain. In 1973, we sorted out a number of superior rice plants of a renewing strain. We thus succeeded in cultivating "three complete strains" of rice plants—"sterile strain," "maintenance strain" and "renewing strain," and the first batch of nonglutinous hybrid rice plants was thus produced. For many years scientists in foreign countries have tried hard to cultivate hybrid rice, but their efforts failed. However, our scientific workers have succeeded in this respect and have cultivated a variety of high-yield hybrid rice. After much hard work over the past few years, the acreage under hybrid rice was expanded to 80 million mu in 1980, and accumulated acreage since its popularization in 1980 amounted to 250 million mu and the accumulated output reached 27 billion jin. These figures show that this newly created means of labor has brought great benefits to our country's agricultural production. Moreover, the benefits it brings to society are permanent, that is, it will benefit the society year after year, and with the expansion of acreage under hybrid strains, the interests it brings to society will increase yearly. This practical example shows us how sciences promote the development of our country's economy through the creation of new means of labor.

3. Social productive force does not mean the mechanical combination of the two essential factors of productive force mentioned above; it means an organic integration of these two factors. Social productive force is organized material force. Laborers, as one essential factor of productive force, are organized in accordance with certain divisions of labor. Instruments of labor, the other essential factor of productive force, are formed into a whole according to the movement of materials in the process of production and their links in space and time. Laborers and means of labor are integrated according to a certain form. Therefore, the three kinds of integration between laborers, between means of labor and between laborers and means of labor all have the problem of whether they are integrated in the most rational and effective way. They also have scientific problems which must be solved. For instance, while carrying out a capital construction project, we should do well in organizing work teams and arranging various kinds of machines and means of labor. We should carry out the construction project in the most rational and effective way. When we are building a factory, we should draw up designs concerning the installment and arrangement of machines in every workshop. The work of installing

machines should be done in accordance with designs drawn in the process of carrying out the project. This is the way to complete the three kinds of integration mentioned above.

The three aspects of integration mentioned above are part of the problem of the organization of productive force, and involve a number of scientific problems which should be solved and studied. These three aspects are one of the important spheres in which sciences play an important role in the development of the economy. So long as we study these scientific problems, achieve results, draw correct conclusions and apply these achievements to practical work, we will certainly be able to promote the development of the national economy.

Here we are looking at the role of sciences in the development of the economy from the angle of turning sciences into direct productive forces. However, what we talk about and the examples we cite are based on the practice pursued by an enterprise of production or a capital construction unit. If we extend our vision to the whole of society, we will encounter problems involved in organizing productive force and formulating plans within the sphere of the whole of society. For example, we will encounter the problem of how to fully exploit and utilize human resources, land resources and other economic resources in our country. We will also encounter problems of how to apply and popularize advanced and appropriate production technology, how to establish a rational structure of production, how to achieve the balanced development of the national economy, how to achieve the effectiveness of labor in the whole of society, how to enhance economic returns and so forth. Scientific research will play a very big role in solving these important problems. The reason why we regard sciences as an important strategic area in economic construction is because sciences can play a very important and active role in solving these problems.

As well as understanding why we should take the development of scientific undertakings as a strategic link in the development of our country's economy, we should also consider another problem. In other words, we should understand the role of sciences in the development of production not only from the viewpoint that sciences can be turned into productive forces, but also from the viewpoint that sciences can solve problems arising in relations of production and in certain aspects of the superstructure.

We have seen that in his report Comrade Hu Yaobang stresses the problem of the reform of the socialist economy system. Analyzing why economic returns in various fields in our country are still poor, the report gives the reason that "there are still defects in the economic management system and the distribution system." In his report, Comrade Hu Yaobang expresses the view that during the Sixth Five-Year Plan, "we should consolidate and improve initial reforms in the economic management system and firmly grasp the work of drawing up general plans and adopting measures for reforms." He adds that during the Seventh Five-Year Plan, "we should gradually carry out the reform of the economic management system."

What is the socialist economic system? My views on this issue are: If by the fundamental socialist economic system we mean the unchanging foundation of socialist production relations in all socialist countries in all periods of development, then the socialist economic system means that various different socialist countries or one socialist country can have different specific socialist production relations in different periods. The reform of the socialist economic system means that we should seek to establish an economic system which can promote social productive forces most effectively. The socialist economic system includes the production relations of the socialist state-operated economy and the collective economy in both rural and urban areas, and the structures of socialist ownership. The problem of the economic system in a state-operated socialist economy, that is, the state-operated socialist economic management system, is important and complicated. This involves economic relations between the state, enterprises and laborers and the relations between the state economic management organs and local economic management organs at all levels. Labor wages, finance, goods prices, financial tax revenue, state commerce, foreign trade and so forth face problems in the economic system. As long as we can solve some of the problems which severely hamper economic development in these areas, social productive forces will be further liberated. The complexity of the production relations within socialist collective ownership cannot of course be compared with that of the production relations within the state-operated economy. However, the reform of the production relations within socialist collective ownership may also play a great role. Since the third plenary session, we have implemented various systems of remuneration according to output in our country's rural areas. This has demonstrated that any reforms which conform with the present level of productive force in our country will have the effect of greatly promoting productive force. The structures of socialist ownership in the socialist economic system include: the specific forms of socialist ownership which should be adopted in China today; the percentage of socialist ownership in the entire economy at present, what kinds of relations should be established and so forth. For instance, at present we permit the existence of the following forms of socialist ownership: 1) the economy of socialist state ownership; 2) the economy of "urban collective ownership" whose nature should be analyzed more accurately; 3) the economy of the collective ownership of the laboring masses in the rural areas; and 4) other socialist ownership. Of these forms, the "socialist state-operated economy plays the leading role in the national economy," whereas other forms of the socialist ownership can develop only on condition that they link with and depend on the socialist state-operated economy and accept its leading role.

As we mentioned above, since the concept of the socialist economic system covers a number of aspects and the problems involved in reforming these various aspects should be solved by scientific workers who can apply scientific knowledge which they have mastered, the rôle of sciences in promoting economic development should not be underestimated.

Of course, to promote the development of the socialist economy, the problems concerning production relations which scientific workers should study are not limited only to the reform of the socialist economic system. We realize

that under our country's present conditions, we should permit the existence of certain nonsocialist economic forms. Therefore, we should study the issue which nonsocialist economic forms should be permitted, their position in our country's present socialist economic structures and the restrictions which should be imposed on them with regard to their existence and development. We should also study ways to properly manage these nonsocialist economic forms so that the party and government may formulate correct policy decisions. These are problems concerning the policies of our party and state toward the nonsocialist economy within a certain historical period. If we achieve good results in the study of these problems, our research work will play its proper role in developing the national economy.

Besides this, in order to do economic work properly, we should also study problems occurring in the realm of the superstructure. The problem of the administrative and management organs in charge of economic work, the problem of economic legislation and judicature, the problem of extending socialist democracy to the sphere of economic life and so forth belong to this category. The problem of improving state plans and management work also involves production relations and the superstructure.

We should do our utmost to put our socialist economic construction on solid scientific foundations. Since there are so many important scientific problems to be solved in our country's economic construction work, and since scientific research can play such a great role in economic development, in addition to the fact that we suffered losses in our work in history due to the lack of scientific research and the fact that in the economic work departments, there are still many people who fail to understand the significance of scientific work and work blindly to a great extent because of this, and frequently solve problems according to old rules and conventions, then it is a matter of deep significance for the party to regard the development of scientific undertakings as one of the strategic links in our country's economic construction.

The purpose of defining the strategic significance of sciences in our country's economic development is to develop our country's scientific undertakings more efficiently. We should not rest content with merely understanding the significance of sciences. Actions are more important. Scientific workers should enthusiastically answer the call of the 12th CPC Congress and work hard and struggle actively to implement and accomplish the guiding principles and tasks put forward by it (including, of course, the guiding principles and tasks of developing our country's scientific undertakings). Comrades working in other departments should also do their best to support scientific work in the light of their division of labor. Departments in charge of logistic and service work for scientific workers should also have a correct understanding of their service work in order to do it well. Planning and financial departments should do their utmost to take seriously the work of allotting the necessary funds and making investments in scientific work. Comrades in charge of leadership work in various localities and departments should pay more attention to scientific work and strengthen party leadership over it.

In his report, Comrade Hu Yaobang also points out: "In the past, owing to the influence of 'left' ideas and the small-producer mentality, erroneous views such as the underestimation of the importance of education, science and culture were rife in our party over a fairly long time." He adds that the party has "made great efforts to eliminate these incorrect views. We are determined gradually to step up cultural development so that it will no longer lag behind economic growth." He goes on to say: "We have worked hard to carry out the party's policy concerning intellectuals and to enable the whole party and society to realize that, like workers and peasants, intellectuals are a force we must rely on in building socialism. We are determined to do everything possible to create favorable conditions in which the mass of intellectuals can work securely and enthusiastically in the interests of the people." This guiding ideology brought out by the report is closely connected with the development of our country's scientific undertakings. We should attach importance to it and, as the report stresses, persist in "doing much careful ideological work and effective organizational work."

The above-mentioned points should be put into action in all spheres after defining the fact that scientific work is one of the strategic links in our country's economic construction. With concerted efforts from all quarters, our country's scientific undertakings will develop more effectively and their great role in economic development will be fully demonstrated.

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## AN IMPORTANT BASIS FOR REFORMING THE ECONOMIC SYSTEM

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[Article by You Lin [2589 2651]]

[Text] In his report to the 12th CPC Congress, Comrade Hu Yaobang clearly explained the general purpose of reforming the economic system, briefly and profoundly expounded the leading position of upholding the state-run economy and developing diverse economic forms, and the relations between the state and the enterprises of various economic forms, particularly the state-run enterprises. He also pointed out the correct implementation of the principle of the leading role of the planned economy and the supplementary role of market regulation and other important problems. This has further pointed out the direction for establishing an economic management system that conforms with the conditions of our country and provides us with an important basis for reforming our economic system.

### I

Comrade Hu Yaobang pointed out in his "report": "To yield the best results, all our economic work, principles, policies, plans and measures must be based on overall arrangement, on taking into consideration the interests of the state, the collective and the individual and on fully arousing and scientifically organizing the initiative of the central authorities, the localities, departments, enterprises and the laborers." This is also applicable to the reform of the economic system.

Why is it necessary to reform our economic system? In the final analysis, it is because there exist defects that are not conducive to stimulating the initiative of our economy in various fields. After the basic accomplishment of socialist transformation, our party called on us to correctly handle the relations between the state, the production unit and the individual laborer, to correctly deal with the relations between the central authorities and the localities, to appropriately divide the decisionmaking power in all fields and give consideration to the interests of every aspect. But actually we have for a long time neglected the power and interests of the localities, the production units and the individual laborers, thus causing the situation of inflexibility and excessive management from the center. As manifested in the economic forms, a lot of work that was suitable for the collective and

individual businesses to run was monopolized by the state; as manifested in planned management, the state attempted to manage all matters whether big or small and did not admit the necessity of regulation by market mechanism for the operation of enterprises and the production of some products, economic levers were seldom applied to guide economic activities for which it was unnecessary to issue mandatory quotas and there was excessive direct planning; as manifested in financial affairs, there was monopoly in the income and expenditure of state-run enterprises and there was no profit retention by enterprises according to how well or badly they ran their business. Moreover, egalitarianism was prevalent in the distribution of income among the laborers. All these things have seriously affected the enterprises' and staff and workers' concern, proceeding from their material interests, for doing a good job of production, operation and management, and even if there were such enthusiasm, it would be difficult to bring it into play because they are bound hand and foot.

Therefore, to reform the economic system we must, first of all, readjust the powers of various fields and particularly extend the powers of the enterprises. Enterprises are the basic units engaging in economic activities. The initiative of enterprises, great or small, greatly affects the speed at which the national economy can be developed. In order to actively exercise their duty according to concrete conditions, the enterprises should have certain power in planning and arrangements, purchasing and selling of goods, the use of funds, disposition of productivity, and so on. Under the prerequisite of accepting planned guidance by the state and administration by industrial and commercial offices, the cooperative enterprises collectively owned by the laboring people should have complete initiative in their own hands. It is also quite necessary for state-run enterprises to have initiative in operation and management. This initiative is of course limited and is within the range of state permission and observation of unified state direction. If it goes beyond this limitation, it would impair or even change the nature of the state enterprises and cause confusion in our socioeconomic life. Even within this limitation, the state should conduct guidance, and check and supervise the enterprises on how to execute their power to prevent blindness due to abuse of their power.

It is very important to handle well the relations between the central authorities and the localities, that is, the vertical and horizontal relations in our country. Ours is a large country with great differences in various provinces, municipalities and autonomous regions. It is unnecessary and impossible for the center to concretely control all their economic activities. Past experience proves that if the central authorities control things too meticulously, they stifle the initiative of the localities. This is one aspect of the situation. On the other hand, we must also be aware that the development of the localities cannot be divorced from the situation as a whole. For instance, many basic installations and production conditions need overall planning by the state and those economic conditions that are connected with the situation as a whole need to be provided by the central authorities. Without the efforts of the central authorities, it would also be impossible for the economy of various localities to develop successfully. Therefore, we must implant the idea of coordinating all the activities of the

nation like moves on a chessboard, and under the prerequisite of subordinating part to the whole, fairly combine the initiative of the localities with that of the central authorities.

The readjustment of power in various fields is important for arousing the initiative in various respects. But under socialism, what is still more important is to readjust the relations of material interests in various fields. According to the Marxist viewpoint, fundamentally, all the activities of people are for material interests, that is, they are all prompted by material interests. The problem is, material interests have different class nature and social nature in different societies. In the socialist economy of our country, the public ownership of the means of production combines all production units and laborers together and the interests of the whole of the working people become their fundamental interests. Under this prerequisite, they still have partial and individual interests. The interests of the whole of the working people are not only the common interests of each member as part of the whole, but also the common interests of the laborers as members of a certain production unit and as individuals. This is because the development of some production units, including the production units under the collective ownership system, depends on the development of the entire social economy; and the improvement of the standard of living of the working people and particularly of the workers of the state-run enterprises depends on increasing social production and raising labor productivity. Therefore, we must unswervingly maintain that increasing and promoting the interests of the whole is the main objective and motive force of the state-run enterprises in carrying out economic activities. As for enterprises in the collective ownership system, besides their own interests, they should also show consideration for the interests of the state and, in addition to the interests of their own unit, they should also have other objectives and motive force. We must also be aware that in addition to the impetus of common interest, there are also the interests of the localities, departments, production units and laborers. For instance, providing the state enterprises with necessary material interests, so that there is a definite connection between the achievements of enterprise operation and the collective and individual interests of the enterprise workers, makes the workers work more diligently and the enterprises try by every means to run management and operation well. Excessive emphasis on the interests of the latter respects, or even overemphasis on them at the expense of the interests of the whole, is certainly wrong; neglecting or even denying them is also wrong. Facts have repeatedly proved that neglecting the interests of any one respect will affect the initiative in that respect and hinder the development of the national economy. Our task is to correctly handle the relations of interest in various respects in the light of the concrete conditions prevailing at any one time, so that they can coordinate, cooperate and help one another forward.

In a word, the purpose of reforming our economic system is to fully arouse the initiative of various fields through readjusting their powers and interests so that they can play their role as effectively as possible and promote the building of socialist modernization.

## II

In reforming the economic system, we must rationally define the relations between the state and enterprises. The relations between the state and enterprises includes what enterprises should be operated and owned by the state, and how the state should manage state-run enterprises, collective enterprises owned by the laboring masses and the individual economy. In his report, Comrade Hu Yaobang made ample exposition on this problem.

Comrade Hu Yaobang clearly pointed out in his "report" that we must develop diverse economic forms under the prerequisite of upholding the leading position of the state-run economy. So-called diverse economic forms, in addition to the state sector, refer first of all to the cooperative economy collectively owned by the laboring masses. This kind of economic form should be the main form in rural areas not only at present but also for a considerable time to come. A considerable part of handicrafts, industry, building industry, transport, commerce and service trades in cities and towns should also be run by the collective. Next is the individual economy of the laborers. We must encourage the appropriate development of the individual economy of urban and rural laborers as a necessary and useful complement to the public economy, within limits prescribed by the state and under the supervision of industrial and commercial administrations. Why must we do this? In sum, it suits the productive forces of our country at the present stage. The development level of the productive forces of our country at the present stage is low and very unbalanced. On the one hand, we have a large number of enterprises with a high level of socialization in production. The very nature of these enterprises demands ownership and control by the whole society and that they be operated by the state as the representative of society. On the other hand, we also have many enterprises with a rather low level of socialization in production; they are suited to collective operation and some are only suited to individual operation. If the state also owned and operated these enterprises, it would be unfavorable for giving scope to their specialization and the initiative of the working people who operate these enterprises, consequently affecting the development of the entire economy. As Comrade Hu Yaobang said in his "report": "Only through the rational distribution and development of diverse economic forms is it possible to invigorate the urban and rural economy and make life more convenient for the people."

Since the 3d Plenary Session of the 11th CPC Central Committee, cooperatives financed and run by young people and other residents have spread in many urban areas. The number of individual workers in urban areas has gradually increased, by 1981 they had reached 1.13 million people. A number of localities have turned small-scale state-run commercial and service trade enterprises, such as public bathhouses, barbershops, garment shops and retail shops into cooperatives or let workers undertake and operate them on a collective or individual basis. These localities have also turned the "collective" enterprises with unified responsibility for profits and losses into enterprises with sole responsibility for their own profits and losses. We have achieved quite good results in the above undertakings. It seems that from now on, in addition to energetically developing the cooperative

economy collectively owned by the laboring masses and appropriately developing the individual economy, the small and fairly small-scale state-run enterprises can also be turned into enterprises with sole responsibility for their own profits and losses in the light of need and possibility.

In China, not only can the socialist economy not abolish the state-run economy, on the contrary, it must uphold the leading position of the state-run economy. The state should own and operate the departments and enterprises such as banks, railways, civil aviation, river and ocean going shipping, posts and telecommunications, steel, nonferrous metals, fuel, electricity, machine building, chemical industry, building materials, textiles, light industry and enterprises in other important departments, wholesale departments, a considerable number of retail shops in the field of commerce, and so on. With these departments and enterprises in hand, the state controls the economic lifelines of the country. The state sector can thus play the leading role in the entire national economy. In his "report," Comrade Hu Yaobang drew a scientific inference: "The consolidation and growth of the state sector are the decisive factors in ensuring that the collective economy of the laboring masses will advance along the socialist road and that the individual economy will serve socialism." The profound implications of this inference merit our careful comprehension. As known to all, in capitalist society, there are cooperatives run by members who are shareholders that draw extra dividends according to the amount of shares they possess. These cooperatives are usually manipulated by a few people who have most of the shares, and the operation in particular cannot but be subject to the control of capitalist production and circulation. Therefore, essentially it is still a sort of "collective capitalist organization." In a socialist country, only when the cooperative economy is combined with the socialist state-run economy, can its nature be fundamentally changed. Only a powerful state-run economy can energetically guide its operation and management in accordance with the principles of socialism so that it develops along the road of socialism. Without this form and without the energetic guidance of the state-run economy, by only relying on the management of the socialist state regime, it would be difficult to restrict the possibility of spontaneous tendencies and getting out of hand departing from the interests of the whole. Therefore, under the conditions of China, there would be no socialist economic system and socialist planned economy with only the collective economy and without the state-run economy. This is true for the collective economy as well as for the individual economy. The individual economy is always attached to the economic form that occupies the dominant position. Only with the existence and development of the public ownership economy that upholds the leading position of the state-run economy and under supervision by the industrial and commercial administrative departments, can the individual economy be a complement to the socialist economy and serve socialism.

In order to ensure the leading position of the state-run economy, we must define the relations between the state-run enterprises. First of all, as for the state-run economy, the state is certainly the owner of the enterprises and controls important activities of the enterprises. On no account should we neglect the achievements of the state-run economy due to the

defects of the economic system and neither should we have the idea of there being no hope in modernization without thoroughly abolishing the state-run enterprises. What will happen if we abolish the state-run economy in our country, turn the state-run enterprises into independent economic bodies and allow the enterprises themselves to completely manage the regular economic decisionmaking of the enterprises? It would mean to separate again the "productive force that is not suitable for any other management except management by society" ("Selected Works of Marx and Engels," Vol 3, p 319) spoken of by Engels; not only placing the secondary but also the main part of industry and commerce under the control of the collective ownership by the laboring masses who are vast in number and scattered, so that they are combined in narrow spheres, causes acute contradiction between mass production and partial ownership. Under such circumstances, they will contend with each other for their own partial benefit and the interests of the whole of the laboring masses would be undermined and impaired. It is quite obvious that this certainly cannot be the foundation of our economic management.

We must also not regard the state enterprises as an abacus, taking every action by moving the beads, we must not collect all the profits of the enterprises without letting them retain any. As we have mentioned before, under the unified control of the state, it is quite necessary for the enterprises to have certain flexible power and benefit. Recently, we have achieved quite good results in extending the power of the enterprises and applying the system of economic responsibility. Its main significance is that we have effectively overcome the idea of egalitarianism between the enterprises and between the workers in the enterprises, so that the enterprises and workers are further motivated in running the enterprises well and tapping potentials. It is unquestionable that by applying the economic responsibility system, we need above all to define the economic responsibility that the enterprises have to undertake toward the state and that the workers have to undertake toward the enterprise respectively, and at the same time provide the enterprises with certain economic powers and due economic benefits so as to combine responsibility, power and benefit together.

### III

One of the fundamental problems in the reform of the economic system is to correctly implement the principle of the leading role of the planned economy and the supplementary role of market regulation.

As the opposite of the anarchy of capitalist production, the planned economy came into being after the realization of the public ownership system. Under the capitalist system, on the one hand there is organizational division of labor in capitalist enterprises, while on the other the whole social production is subject to control by spontaneous forces. In capitalist society, the laborers forfeit their right to control their own social relations and the distribution of social labor in various departments is completely regulated by the market. The necessary proportion of mass production is only

reluctantly maintained through fierce turbulence and crises and with the national economy constantly suffering serious disruption. But under the public ownership system, due to the elimination of the separation of the ownership toward socialized production and the establishment of direct links between production and demand, it is then necessary and possible for the national economy to develop in a planned way. The words "planned economy based on public ownership" mentioned by Comrade Hu Yaobang in his "report" pointed out the interdependent relations between the planned economy and the public ownership system. One of the characteristic economic laws of socialism and communism is that the national economy develops in a planned way. Planned economy came into being on the basis of public ownership and from another important aspect it also manifests the essence of the socialist economy.

The socialist economy must be developed in a planned way. But in a certain period of a country, the range, length and height of planning can only be determined according to the concrete conditions. Comrade Hu Yaobang pointed out in his "report": "Planned production and circulation cover the main body of our national economy. At the same time, the production and circulation of some products are allowed to be regulated through the market without being planned, that is, by letting the law of value spontaneously play a regulatory role, within the limits prescribed by the state's unified plan and in the light of the specific conditions at different periods. This serves as a supplement to planned production and circulation, subordinate and secondary to it but essential and useful nonetheless. The state ensures proportionate and coordinated growth of the national economy through overall balance by economic planning and the supplementary role of market regulation." In sum, we must uphold the principle of the leading role of the planned economy and the supplementary role of market regulation for a long time.

What is the objective basis of this principle? First of all, in the national economy of our country, the economy under the public ownership system occupies the dominant position, while the state-run economy also occupies a leading position. This determines that the principal part of the national economy must be planned production and planned circulation. Otherwise, the economy under the public ownership system would be in a state of decentralization and would not develop normally. Second, in the economy under the public ownership system, there are a considerable number of collective enterprises owned by the laboring masses and state enterprises that can be turned into enterprises with sole responsibility for their own profits and losses. There also exist a small individual economy outside the public ownership system. The production and circulation of part of the products of these enterprises should be carried in a planned way, while the production and circulation of another part of products (mainly various small commodities) should be arranged by the enterprises themselves in accordance with the changes of supply and demands on the market. Certainly, the state should not try to refuse to have anything more to do with the matter, but should strengthen control through policies, decrees and administration by industrial and commercial administrative departments and should help enterprises with the supply of certain important raw and semifinished materials.

There were many defects in our planned work in the past, among them an important point is that planning covered a wide variety of things and no products or enterprises were excluded from plans to be regulated by the market. The result was what should have been strictly controlled was not controlled strictly enough, that is, what should have been incorporated into the plan was not strictly controlled, thus weakening the scientific and authoritative nature of the plans; what should have been flexible was not flexible enough, that is, what should not have been incorporated into the plan was controlled, thus causing the variety of commodities to be monotonous, lacking in quality and causing inconvenience to the people's life. This shows that to ensure the coordinated and proportionate development of the national economy, we must mainly rely on the overall balance of the planned economy and at the same time make use of the supplementary role of market regulation.

Allowing the production and circulation of part of the products not to be planned but regulated by the market, will this affect the nature of the planned economy? Certainly not. That is because, first, it is just supplementary to the planned economy and is subordinate to the planned economy; and second, the range of market regulation is determined by unified planning. Therefore, our economy, in general, is a unified planned economy.

In order to make the development of the economy centralized and unified as well as flexible and diversified, besides the part that needs not be planned, the part that needs planned production and circulation should also take different forms in different circumstances.

One kind is, plans of a mandatory nature must be enforced in regard to the production and distribution of means of production and means of subsistence in the state sector which are vital to the national economy and the people's livelihood, and especially in key enterprises vital to the whole economy. The "report" indicated: "This is a major manifestation of China's socialist system of ownership by the whole people in the organization and management of production." This important inference helps us to further clarify any misunderstanding. The realization of the power of the state as the owner must undoubtedly be manifested in the distribution of income, but what is more important is that it is manifested in directing the production and operation of enterprises that must be directed by the state. In our socialist economy, if the state has only the right of ownership of some state-run enterprises, but has no power to control the means of production and labor force, that is, no power to direct the production and operation of the enterprises, then these enterprises are no longer state-run enterprises. Even for the collective economy, the state should issue mandatory quotas in accordance with needs; for instance, for the purchase of fixed quotas of grain and other important agricultural and sideline products by the state. This is by no means to say that mandatory planning cannot be appropriately reduced, it is entirely necessary for the state-run enterprises to have more flexibility. But the production and distribution of important products and the economic activities of the important enterprises must be carried out according to the state's mandatory plans. Only in this way can we stabilize the economic situation, ensure the proportionate

development of the national economy, and effectively bring into play the role of guiding plans, and the part regulated by the market can be a useful complement to the planned economy. Therefore, mandatory plans are necessary not only under specific conditions, but also necessary and indispensable under general conditions. It is in fact the crux of the principle of the leading role of the planned economy and the supplementary rôle of market regulation and the basic indication of a planned economy.

Another kind is, enforce guiding plans for some products and enterprises that are less important compared to the products and enterprises that practice mandatory planning, by applying economic levers to ensure their realization. The enterprises have the right to change the plans and quotas issued by the state, but must report them to the responsible departments for the record. When necessary, the state can also exercise administrative intervention.

Aimed at the defects of the past of not attaching importance to the role of the market and not being good at applying the law of value and economic levers, the "report" pointed out that, whether in mandatory planning or in guidance planning, we must strive to make them conform to objective reality, constantly study changes in market supply and demand, and consciously make use of the law of value. For instance, when plans demand that production of certain products in short supply be increased and that production of some products in excessive supply be reduced, list the price of the former products a bit higher and the latter a bit lower, then that will promote the accomplishment of the plans. Certainly, we cannot exaggerate this role and think that the part under the planned economy should also be regulated by the market. By regulating, we mean determining what kind of products are produced, their quantity and how to control them. The market regulation mentioned in the "report" is controlled by the fluctuations of prices caused by the changes of market supply and demand. It is quite obvious that the enterprises that enforce mandatory planning are not the same. The enterprises that enforce guidance planning are directly affected by changes of price, taxation and credits, but these economic levers are applied by the state in a planned way. Therefore, they are controlled by planning and not regulated by the market.

The principle of reforming the economic system of our country in the future is to adopt the forms of mandatory planning, guidance planning and market regulation in accordance with the different circumstances of products and enterprises. Enforcing this principle is a major reform compared with the present planned management system. At the same time, we must correspondingly reform other aspects of the management system (for instance, gradually reform the pricing system and price control under the prerequisite of basically keeping prices stable). The tasks are great and certainly cannot be accomplished in a short time. The "report" pointed out that we must work out at an early date the overall plan for reform and the measures for its implementation in the Sixth Five-Year Plan and gradually develop the reform of the economic management system in the Seventh Five-Year Plan. This arrangement is positive and safe as well. Provided that we follow the direction pointed out by the party Central Committee, comprehensively

analyze the present economic system of our country, conscientiously study the experiences of other countries, first sum up our own experiences and on this basis work out feasible overall plans for reform and the measures for its implementation, and advance step by step forward, we can establish an economic management system that best conforms with the condition of our country in the predetermined period and ensure the normal development of the national economy and the triumphant realization of the four modernizations.

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EXCERPTS FROM SPEECHES MADE AT A FORUM ON STUDYING 12TH CPC CONGRESS DOCUMENTS

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[Text] Editorial note: On 17-18 September, this periodical invited some comrades from economic circles to a forum on studying the documents of the 12th party congress. Excerpts from speeches at the forum will be published in succession starting from this issue.

Xue Muqiao [5641 2550 2890]: "Build Socialism With Chinese Characteristics"

In his report to the 12th party congress, Comrade Hu Yaobang expounded in great detail the new guiding ideology of socialist modernization which has gradually developed from the 3d Plenary Session of the 11th CPC Central Committee. In his opening speech at the congress, Comrade Deng Xiaoping made a high level summary of this guiding ideology by pointing out: "To integrate the universal truth of Marxism with the concrete realities of China, blaze a path of our own and build socialism with Chinese characteristics--this is the basic conclusion we have reached in summing up long, historical experience."

Ours was a backward semicolonial and semifeudal country before liberation. After more than three decades of construction since liberation, great changes have taken place in the outlook of our country. However, viewed from the level of its economic development, China is still a developing country with the peasants accounting for the great majority of the people. In order to build our country, on such a base, into a modern socialist state with a high degree of civilization and democracy, it is of course necessary to proceed from reality and take our own path. As I understand it, socialism with Chinese characteristics should chiefly be provided with the following features:

1. With respect to ownership, we are still unable to establish what Marx called ownership by the whole society. Neither should we indiscriminately copy the pattern of what Stalin called coexistence between ownership by the whole people and collective ownership. Due to the relatively low and uneven development of China's productive forces, the forms of ownership should be

more complex. Ownership by the whole people and collective ownership should act as a base and there should be long-term coexistence of diversified economic forms. Even the economy under the ownership of all the people and under collective ownership should also practice, in light of different specific conditions, various methods of management and administration. In agricultural production, particularly the agricultural production that relies chiefly on manual labor, it is necessary to establish various forms of the production responsibility system by bringing into play the initiative of unified management by the collective and independent management by the laborer. It is necessary to have both unified planning by the collectives and division of labor with individual responsibility between the individual, household and group. The state economy should not assume overall responsibility for profits or losses. It should in the light of different conditions, practice different forms of the economic responsibility system to different degrees, including the responsibility system for profits or losses. In cities, it is also necessary to develop the economy under collective ownership (including small cooperatives characterized by fund raising, joint labor and distribution chiefly according to labor) and a small amount of individual economy. Will the development of nonsocialist economic forms (such as individual economy) in cities weaken the leading position of the socialist state economy? No. In the early 1950's, privately owned industrial and commercial enterprises were in extensive operation, but the state economy was still in a leading position. Now the state economy is very powerful. The existence of a small number of non-socialist economic forms will not affect the leading position of the state economy but is a necessary and useful supplement to the state economy.

2. It is necessary to handle the relationship between agriculture, light and heavy industry and the question of speed according to China's characteristics. The 156 projects, chiefly heavy industry, carried out in the period of the First Five-Year Plan attained very good construction results. However, the development of agriculture and light industry was rather slow, with the result that they failed to fully meet the needs of urban industrial development and the people's livelihood. Therefore, Comrade Mao Zedong pointed out in 1956 that, while giving priority to the development of heavy industry, it is necessary to attach special importance to the development of agriculture and light industry and to develop heavy industry with the funds accumulated from agriculture and light industry. It was a pity that, starting in 1958, a 3-year "Great Leap Forward" was launched, which resulted in a serious disproportion between agriculture, light and heavy industry. It was not until 1965 that the disproportion was basically reversed by means of readjustment.

The 10 years of national disorder during the "Cultural Revolution" threw the entire national economy into disorder. In the 2 years after the smashing of the "gang of four," continued implementation of the "left" policy once again revealed the disproportion between agriculture and light and heavy industry, which had developed over the years. After its third plenary session, the CPC Central Committee put forward the principle of readjusting, restructuring, reorganization and upgrading, gradually reduced investment in capital construction, readjusted the ratio between agriculture and light

and heavy industry and greatly improved the livelihood of the people so that a prosperous new situation emerged in the national economy. However, the achievements of readjustment have not been consolidated and the reform of the economic management system has just started. We have not been able to effect a fundamental turn for the better in the financial and economic situation. In his report to the 12th party congress, Comrade Hu Yaobang said that during the Sixth Five-Year Plan period, it is necessary to continuously implement the policy of readjusting, restructuring, reorganization and upgrading, practice strict economy, oppose waste and focus all economic work on the attainment of better economic results. It is very important to do so.

It was also pointed out in the report that, in the two decades between 1981 and the end of this century, we should strive, while steadily working for more and better economic results, to quadruple the gross annual value of industrial and agricultural production. In order to realize this objective, we must take the following two steps in our strategic planning: In the first decade, aim mainly at laying a solid foundation, accumulating strength and creating the necessary conditions; and in the second, usher in a new period of vigorous economic development. This strategic plan has been formulated in the light of China's specific current conditions. In order to bring into full play the economic results of production, we should no longer blindly seek false production growth rate. In the period of the Sixth Five-Year Plan, we would rather have a temporary slower production growth rate in order to focus our chief attention on the attainment of better economic results. Provided that we can achieve this point, we will certainly be able to usher in the new period of vigorous economic growth in the 1990's.

3. It is necessary to continuously carry out reform of the economic management system. Since the First Five-Year Plan, we have gradually effected planned management of the national economy on the basis of public ownership of the means of production. This conforms to the requirements of socialist economy. The chief shortcomings in our previous work lay in the fact that in certain aspects we set too many or too rigid restrictions through planning and thus hampered the initiative of the localities and enterprises. In his report, Comrade Hu Yaobang pointed out: Planning should take different forms in different circumstances. Plans of a mandatory nature, guidance plans and regulation within certain limits by market mechanism must be enforced according to the importance of products and enterprises in the national economy and the people's livelihood. In both mandatory planning and guidance planning, we must strive to conform to objective reality, constantly study changes in market supply and demand, conscientiously make use of the law of value and such economic levers as pricing, taxation and credits to guide the enterprises in fulfilling state plans, and give them varying degrees of power to make decisions as they see fit. Only in this way can state plans be supplemented and improved as required and in good time in the course of their implementation. We must correctly define the respective scope and limits of mandatory plans, guidance plans and regulation by market mechanism and establish an economic administrative system suited to China's conditions so as to ensure the healthy growth of the national economy.

Over the past 3 years we have gradually expanded the powers of various localities and enterprises in making decisions and have attained good results in bringing into play the initiative and creativity of localities and enterprises. The problem is that, after the expansion of the power of localities and enterprises in making decisions, the restricting role of mandatory planning has been weakened to a certain degree, bringing about various phenomena such as blind production and duplicate construction. Therefore, it is necessary for us to formulate a complete set of economic laws and regulations in order to prevent the various localities and enterprises from abusing their power of decisionmaking. It is particularly necessary to be good at applying the economic levers in order to ensure the satisfactory accomplishment of mandatory planning and guidance planning.

Reform of the planning system is not only confined to the planning system itself but also involves the systems of credits, labor, wages as well as financial management. These reforms can only be achieved gradually.

Yang Bo [2799 3134]: "State and Tasks of Light Industry in the New Situation"

The strategic objective, emphases and measures and the series of principles and policies for China's economic construction listed in the report to the 12th party congress are the outcome of integrating Marxism-Leninism with China's reality. They are all correct. Provided that we unswervingly and realistically work in the spirit of the 12th party congress and conscientiously do our jobs well, we will certainly be able to realize our strategic objective. Here, I would like to talk about industrial development.

There is a view which holds that since no mention was made of the three strategic emphases of economic construction issued by the 12th party congress, the future development of light industry may perhaps be slowed down or relaxed. In my opinion this view is incorrect. As a matter of fact, grasping the three emphases of agriculture, energy and transport and education and science is conducive to the more speedy development of light industry and other production and construction undertakings and the steady improvement of people's living standards. 1) For a considerably long period in the past, China's light industry has primarily relied on agriculture for its raw materials. The reason for light industrial output value to register an average annual increase of 10 percent over the past 33 years is a direct outcome of the speed development of agriculture, particularly the diversified undertakings. Only by strengthening agriculture in the future will it be possible to ensure the steady growth of light industry; 2) Although the ratio of energy consumption in light industrial production is smaller than in heavy industry, its absolute amount will become more and more. Only when energy construction has been developed will it be possible for light industry to develop more speedily. At the same time, the development of communications and transportation also constitutes a basic condition in ensuring the allocation of raw materials for light industrial production and the sales of light industrial products. 3) The development of educational and scientific undertakings is a fundamental guarantee for

improving the technological and management level of light industrial production. At present, the scientific and technical strength of light industrial departments is weaker than that of other departments, with the scientific and technical personnel accounting for only 1.06 percent of all staff members and workers. The technical force of No 2 light industry is even weaker. Without competent technical and management personnel armed with modern scientific knowledge and without advanced technological equipment, it is difficult to raise the level of light industrial development. Therefore, the fact that the CPC Central Committee has designated agriculture, energy and transport and education and science as the strategic emphases has not weakened or overlooked the development of light industry but has created better conditions for the development of light industry. Just as Comrade Hu Yaobang, in his report to the 12th party congress, pointed out: "Effective solution of these problems on the basis of an overall balance in the national economy will lead to a fairly swift rise in the production of consumer goods, stimulate the development of industry as a whole and of production and construction in other fields and ensure a betterment of living standards."

Since the 3d Plenary Session of the 11th CPC Central Committee, following the speedy development in consumer goods production, great changes have taken place in China's market supply conditions. The phenomenon of "buying whatever goods are available and joining a queue when there is one" that was in existence for many years in the past has basically disappeared. The masses of people have changed their practice from holding money in readiness for panic purchase into saving money for the right moment to purchase or holding money in readiness for a purchase of their choice. However, this certainly does not mean that the development of China's light industry is good enough. As a matter of fact, there is still a very wide gap between the production of consumer goods and the needs of the masses of people and, in particular, we are still far from being able to meet the needs of the 800 million peasants in the vast rural markets. Now, when people begin to have some choice concerning the quality, designs and colors of light industrial products, we have discovered, in our light industrial production, the problem of many products which do not conform to the needs of the people. For example, some products are unmarketable and have to be kept in stock for a long time. This is primarily because their quality is poor and their designs and colors are not readily marketable. What demands should we set on our work in this new situation? Generally speaking, we can summarize them in two sentences, that is, "change the look and improve the quality." By changing the look we mean that it is necessary for us to: 1) change the backwardness manifested in poor quality and few designs and colors in industrial products; and 2) change the mental outlook of the staff and workers to enable them to keep abreast of the development of the objective situation. Every person, from the leading cadres to every staff member or worker, should enhance revolutionary vigor and jointly fight for the realization of the grand objective set forth by the 12th party congress. By improving quality we mean that it is necessary to vigorously improve our technological and management level and to attach particular importance to the application and popularization of new technology. In brief, we should focus all our work on the attainment of better economic results and cultivate the idea of

wholeheartedly serving the broad masses of consumers. It is necessary to take into account the needs of the 200 million urban inhabitants but it is all the more necessary to focus our work on meeting the needs of the 800 million peasants. Not only is it necessary to pay attention to the economic results in relation to the state and supply the state with more accumulation, it is also necessary to pay attention to the beneficial results of products when used by customers and to think about the interests of customers. It is necessary to pay good attention to current production and have long-term planning. Great efforts should be made to produce more and better light industrial products which are cheap and readily marketable and to step up sales service in order to satisfy as much as possible the broad masses of consumers. This also constitutes a requirement of the basic socialist economic law. Moreover, it should be pointed out that our light industrial departments bear the heavy responsibility of building socialist material and spiritual civilization. At present, in the production of some consumer goods, there is a phenomenon of blindly imitating the so-called new patterns from foreign countries or pandering to the vulgar interests of certain people. This should merit our attention. The manufacture of material products should help but not obstruct the building of socialist spiritual civilization.

Li Chengrui [2621 2052 3843]: "Quadrupling the Gross Annual Value of Industrial and Agricultural Production Should Be Based on Improving the Economic Results"

The grand objective expounded in the report to the 12th party congress consists of unity between quality and quantity and unity between results and speed. Quadrupling the gross annual value of industrial and agricultural production should be based on improving the economic results. Both are closely related with, and are inseparable from, each other. The key to achieving a fundamental turn for the better in the financial and economic situation in the next 5 years lies in improving the economic results and maintaining suitable and realistic speed in order to create more net income and, on this basis, strike a close balance between revenue and expenditure and in credits. Exaggerated speed and overstock of products will bring about a phenomenon of sham income and real expenditure in finance and sham deposits are real loans in the bank, making it impossible to strike a real balance.

Compared with the 10 years of internal disorder, our economic results have markedly increased over the past few years. From 1979-1981, the gross annual value of agricultural production increased by 26.1 billion yuan, about 60 percent of which was due to improvements in labor productivity. The proportion of agricultural production cost has dropped from 34.9 percent in 1978 to 31.4 percent in 1981. A number of advanced industrial enterprises have also achieved very good successes in improving economic results. Generally speaking, however, the present economic results are still very poor. In industrial enterprises with independent accounting under the ownership of the whole people, the revenue and profit derived from 100 yuan of capital (net value of fixed asset plus flowing capital quota) was 24.8 yuan in 1979 and 1980 and 23.8 yuan in 1981, a quarter less than the 31.9

yuan in the period of the First Five-Year Plan. In 1981, key national enterprises failed to attain the best historical level in 19 of the 46 quality indexes of major products. In 1981, key national enterprises failed to attain the best historical level in 54 of the 70 indexes for material consumption. Naturally, there are various causes for these problems and there are also incomparable factors in the past and present conditions. It can be affirmed, however, that there is a great potential to improve the economic results. Only those enterprises with good results have great vitality. The national economy can have a steady and stable speed only on the basis of good results.

In his opening speech at the 12th party congress, Comrade Deng Xiaoping said: "In carrying out our modernization program, we must proceed from the realities of China." How should we understand China's actual situation? We have various methods of achieving this aim, statistics being a very important one. If we do not have relatively complete statistics, it is impossible to understand the actual situation in a comprehensive way and it is also difficult to fulfill the fundamental requirement of building socialism with Chinese characteristics. Therefore, further strengthening statistics work is a major issue that has a strong bearing on whether or not we are able to proceed from the realities of China and build socialism with Chinese characteristics. Under the socialist system, it is entirely possible for our statistics to be more realistic and reliable than the capitalist ones. Under the influence of the "leftist" line, there were some fabrications in statistics in the past. However, this is not inherent in a socialist society. On the contrary, it is incompatible with the essence of a socialist system. Since the 3d Plenary Session of the 11th CPC Central Committee, this phenomenon has been constantly rectified. At present, most of our statistics are authentic and reliable. In the future, following a fundamental turn for the better in party work style and social mood, statistics work will be constantly improved and the superiority of statistics work under the socialist system will be further demonstrated.

Fang Weizhong [2075 4850 0022]: "Grand Objective, Reliable Measures"

There is still about 20 years between now and the end of the century. How shall we determine the objective of China's socialist modernization program and what steps shall we take in the next 20 years? This is a major issue which the whole party and people of the entire country are very much concerned with. It will not do to proceed without a plan. It will be difficult to realize an objective if we fix an excessively high objective. However, we shall be in a state of inertia if we fix an excessively low objective. Neither can arouse the initiative of the people. If we rush headlong into mass action without definite steps, it will also be difficult to realize an objective even if it has been fixed in an appropriate manner. An important achievement of the 12th party congress is that it has correctly solved this problem by determining a grand objective and providing reliable measures and thus won the enthusiastic support of the whole party and people of the entire country.

The 12th party congress called on us, while steadily working for more and better economic results, to quadruple the gross annual value of industrial and agricultural production by the end of this century. It is both necessary and possible to realize this objective and so it is an appropriate objective.

There are quite obvious reasons for the necessity to quadruple the gross annual value of industrial and agricultural production. Only by realizing this objective will it be possible for China to be placed in the front ranks of the countries of the world in terms of gross national income and output of major industrial and agricultural products. This will represent an important advance in the modernization of its entire national economy and the urban and rural population will be comparatively well-off both materially and culturally. This objective has reflected the strong aspirations of the people of the whole country. If we determine a lower speed, it will be impossible to meet the steadily growing needs of the people in their livelihood, nor will it be possible to meet the needs for strengthening the national economic and national strength.

It is possible to realize the objective of quadrupling the gross annual value of industrial and agricultural production for it is not a high and unattainable objective. Generally speaking, by fulfilling the following three demands it will be possible to attain the objective of quadrupling the gross annual value of industrial and agricultural production.

1. It is necessary to double, in 20 years, the output of industrial energy and primary raw materials (an average annual increase of 3.5 percent).
2. It is necessary to improve technology and product quality, lower energy and raw material consumption and improve the complexity and precision of processing so that we can create 100 percent more value or double the economic results with the same amount of energy and raw material.
3. It is necessary to develop some newly emerging industrial departments such as electronics, nuclear energy, data, petrochemical industry and new type materials. They can increase output and improve the economic results.

In other words, the realization of the objective of quadrupling the gross annual value of industrial and agricultural production in the next 20 years depends partly on the growth of production capability and partly on the progress of technology. The growth of production capability should also depend on the application of new technology. We should not rely entirely on old technology. The technological level of China's existing industry is roughly equal to the level of the economically developed countries during the late 1950's and early 1960's. It is possible for us to attain, by the end of this century, the level of the economically developed countries of the early 1980's, namely, to attain the level they have attained in the past 20 years. If we do our work well, it is also possible to surpass it. This is not only because we can absorb the existing technology but also because the existing technology will also develop in the next 20 years and we can make use of it. We should actively introduce new technology into

our country, strive to tackle key problems in new technology and, after we succeed in doing so, effectively popularize and apply it. We can thus greatly change the outlook of our production and greatly speed up the growth rate.

Therefore, quadrupling the gross annual value of industrial and agricultural production is by no means a simple concept of output value but the unity between speed and results and the unity between production and construction on the one hand and scientific and technological achievements on the other hand.

In order to realize the strategic objective of quadrupling the gross annual value of industrial and agricultural production in the next two decades, the CPC Central Committee has decided to take the following two steps: In the first decade, aim mainly at laying a solid foundation, accumulating strength and creating the necessary conditions; and in the second, usher in a new period of vigorous economic development. This is an extremely important policy decision.

It is necessary to take two steps because the problems accumulated over a long period of time in the past have not been completely solved. They are chiefly manifested in the disproportion of the national economy and the irrational industrial and organizational structures. Reforms of the economic system have just started, there has not been a fundamental turn for the better in our financial and economic situation and there is still a lot of work to be done in the way of readjustment, reorganization and reform. At the same time, we should also get prepared in our material conditions such as energy and communications, in tackling key problems in science and technology and in training competent persons. That is to say, we are still not provided with the necessary conditions for a big development in the first decade. If we do not take two steps, people will request doing at the present moment a lot of things which we are not provided with the necessary conditions to do now. They will request the expansion of the scale of present construction. This will aggravate our present financial and economic difficulties and the shortage of energy and communications facilities. The result is that we shall not be able to ensure a steady development of the economy but will probably bring about new disproportions in the national economy and delay the approach of a new period of vigorous economic development. Conversely, by dividing the attainment of our objective in two stages and two steps, we shall be able to concentrate our chief efforts in the first decade on readjusting the various aspects of economic structures, restructuring, reorganizing and combining the existing enterprises and gradually conducting reforms of the economic management system. At the same time, we shall also be able to effect in a planned way technological transformation of the existing enterprises, strengthen the construction of key projects such as energy and communications and step up the scientific and technological study and the cultivation of competent persons. We shall thus lay a relatively solid foundation for economic growth in the second decade. Then, a new period of vigorous economic development in the 1990's will be a logical event. By doing so, we shall neither be impatient for success nor mark time but do solid work.

We shall follow in proper sequence and make gradual progress. This is in fact a fast but not a slow speed. In making such arrangements, the CPC Central Committee has integrated a high degree of revolutionary spirit with a strict scientific approach and has reflected the fundamental principle of proceeding from realities in everything. Therefore, it provides the people with both strength and confidence. Provided that we act unswervingly according to the arrangements of the 12th party congress, we shall be able to avoid setbacks in our economic development and steadily arrive at our destination.

Tao Dayong [7118 1129 6978]: "Make Sure To Regard Education and Science as Strategic Emphases"

It was pointed out in the report to the 12th party congress that in the next two decades, it is necessary to pay close attention to the strategic emphases of agriculture, energy and transport and of education and science. This is a correct policy decision made in line with our national conditions, strategic objective and various practical proportions. It is an objective requirement of the law of socialist economic development.

Science and technology are a key to, and education is a basis for, realizing the four modernizations. The development of the other emphases, namely, agriculture and energy and transport, is also inseparable from science and technology. Constant inventions in science and technology have brought about a profound revolution in production, transforming science into direct productive forces. The fact that the CPC Central Committee has made, on this occasion, science and education strategic emphases has reflected the attention the party attaches to, and the concern the party shows for, intellectuals. It has also presaged an upsurge in scientific and cultural undertakings. Having worked for a long time in an institute of higher learning, I profoundly realize that the exploitation of "intellectual resources" in our country still lags far behind the actual needs in economic construction. Since liberation, the institutes of higher learning throughout the country have trained a large number of competent personnel in various specific fields. However, in order to attain the strategic objective of quadrupling the gross annual value of industrial and agricultural products, this contingent seems to be too small, or else is not commensurate with our task. Moreover, we have not been able, so far, to bring into full play the people's talents. Since the 3d Plenary Session of the 11th CPC Central Committee, we have achieved a great historical transformation by summing up the historical experience, both positive and negative, and bringing order out of chaos. However, in the fields of science and education, there is still a lot of work to be done and it is necessary for us to create a new situation. After the smashing of the "gang of four," through the solicitude of the party, marked changes have taken place in the mental outlook of intellectuals. They are imbued with the vigor of devoting themselves to the four modernizations. Generally speaking, in order to bring into better play the initiative of the intellectuals, it is still necessary to implement the policy toward the intellectuals. The "resolution" of the 3d Plenary Session of the 11th CPC Central Committee pointed out that it is necessary to "unequivocally affirm that, together with the

workers and peasants, the intellectuals are a force to rely on in the cause of socialism." The numerous intellectuals are filled with exultation at this. If, in the future, this content can be incorporated into the new constitution, it will further stimulate their creativity and their sense of being masters of the country, which will be transformed into a powerful material force for the four modernizations drive.

Looking at the actual situation in the educational, cultural, scientific and technological fields, a pressing matter at the moment is to improve the living and working conditions of middle-aged intellectuals, and in particular to raise their pay. The middle-aged intellectuals trained after liberation not only constitute the backbone force on the current educational, cultural, scientific and technological fronts, they also shoulder the heavy responsibility of inheriting the past and ushering in the future. Most of them have a heavy workload and household chores and their pay tends to be low. Undernourished, quite a few of them become old before their time. In recent years, some have even died prematurely. This abnormal phenomenon should draw the close attention of the departments concerned. Meanwhile, as for the new students enrolled at colleges and universities in recent years, their quality (particularly their Chinese language standard) is unsatisfactory. This has something to do with the standard of teaching in middle and primary schools. In order to change this state of affairs, in addition to improving teaching materials and methods, opening all avenues for study, improving the examination system and strengthening leadership, it is all the more necessary to definitely improve the conditions for running a school and reorganize the ranks of teachers in order to prevent the outflow of competent persons. "Indigo blue is extracted from the indigo plant but is bluer than the plant it comes from." At present, although the pay of primary school teachers has been raised to some extent, their well-being and political treatment are relatively poor. Ordinary university graduates are not content to become middle school teachers, nor are middle school graduates willing to work as primary school teachers. The teachers in schools run by the local people are still required to farm the lot of land allocated to them. It is, therefore, not an easy thing to raise the scientific and cultural level of the whole nation. "Fish are extremely happy in deep waters and birds know how to return to the deep forests." In my opinion, if we want to fundamentally alter this state of affairs, it is necessary to greatly and promptly increase "intellectual investment" and raise the proportion of educational spending in the annual budget of the state. Only in this way can we "vigorously universalize primary education, strengthen secondary vocational education and higher education and develop educational projects of all types and at all levels in both urban and rural areas, including training classes for cadres, workers, staff members and peasants, and literacy classes," genuinely raise education and science to the status of strategic areas and train a large number of qualified personnel in specific fields in our efforts to create a new situation in the socialist modernization program. "It takes 10 years to grow trees, but 100 to rear people." Only by grasping every second will we be able to adapt ourselves to the urgent requirements of the new period.

Xu Dixin [6079 3321 2450]: "Strive To Realize the Great Strategic Objective"

The need to achieve the grand strategic objective set forth by the 12th party congress is clear to all. We have the objective conditions to realize this aim, that is, the superiority of the socialist system; after more than three decades of hard work, our national economy, and particularly the state economy under the ownership of the whole people, already possesses a certain material and technological basis; the strategic emphases and measures for the realization of this strategic objective have been arranged in a rational and appropriate manner; the realization of socialist modernization and the continuous improvement of the people's livelihood based on the development of the national economy has become the unanimous aspiration of the nation; the political situation characterized by unity and stability will continue to play a role beneficial to economic construction.

However, it is certainly not an easy job to quadruple the gross annual value of industrial and agricultural production in two decades. We should oppose not only fear of difficulties but also casual and blind optimism. A clear and sober understanding of the existing difficulties is beneficial and essential to the realization of this strategic objective.

What are the difficulties facing us today? Agricultural labor productivity is relatively low and our capacity to resist natural disasters is still very small; production technology, management and administration in a large number of enterprises are quite backward and due importance has not been extensively attached to economic results; the study of applied and basic science has not been adapted to the needs of the development of the national economy; we have not succeeded in effecting a fundamental turn for the better in the financial and economic situation; and population growth has not been brought under complete control on a national scale. Besides these, there are also other difficulties. Only by overcoming these difficulties will it be possible to forge ahead healthily toward the great strategic objective.

In order to promote an overall upsurge in the socialist economy, Comrade Hu Yaobang, in his report, has set forth correct principles on various issues, such as amassing funds on key projects and continuously improving the people's livelihood, adhering to the dominant position of the state economy and developing diversified economic forms, correctly implementing the principle of relying mainly on the planned economy and supplementing it with regulation by market mechanism, adhering to self-reliance and expanding economic and technological exchange with foreign countries. Implementation of these principles is essential to the realization of our strategic objective.

The integration of the concentration of funds on key projects with the continuous improvement of the people's livelihood is a specific manifestation of the superiority of the socialist system. In order to effectively amass funds for key projects, in addition to readjusting, on the basis of "taking

the whole country into account," the ratio of distribution of central and local revenue and the ratio of profit retention by enterprises, it is also necessary to attain a fundamental turn for the better in the financial and economic situation in the next few years. This makes it necessary, on the basis of improving economic results, to gradually increase state revenue, reduce financial deficits and continue to maintain a basic stability of price.

China now has more than 1 billion people. The total figure of the newly increased population is more than 10 million a year. This is a considerable pressure. Excessive growth of population has an adverse effect on per capita income. It also poses serious problems regarding the supply of grain and housing, and meeting the need for education and employment. It may even affect social stability. Therefore, Comrade Hu Yaobang pointed out: "Family planning is a basic policy of our state."

Correct implementation of the principle of relying mainly on the planned economy and supplementing it with regulation by market mechanism constitutes a fundamental issue in the reform of the economic system. It plays an extremely important role in promoting the all-round development of the socialist economy and in realizing our strategic objective. China's planned economy is based on public ownership of the means of production. With respect to production and distribution of the means of production and the means of subsistence in the state economy, which have a strong bearing on the national economy and the people's livelihood, and particularly the key enterprises that have a strong bearing on the economic situation as a whole, it is necessary to practice mandatory planning. Mandatory planning is an important manifestation of China's socialist ownership by the whole people in organizing and managing production. We should not merely regard mandatory planning as an administrative means. Like guidance planning, it is not the outcome of unrealistic theories. It has been created by proceeding from realities and by conscientiously applying the law of value in accordance with changes in market supplies and demands, and proportional relationships between various production departments. Compared with guidance planning, it plays a dominant role in the planned economy. Some comrades have overemphasized the flexibility of guidance planning and underestimated the positive role of mandatory planning. This matter merits our attention.

With respect to various kinds of small commodities, they are low in value and diversified in color and design, and should generally be supplied on time and in certain areas. It is unnecessary and impossible for the state to subject them to planning. The state should let enterprises adapt their own production to changes in market supplies and demands. Some comrades are afraid that the existence of regulation by market mechanism and the individual economy will adversely affect the planned economy. In my opinion, so long as we do a good job of the planned economy and promptly strengthen industrial and commercial administration and management through

policies, laws and regulations, it is impossible for them to shake the planned economy.

Did we not do a remarkable job in our planned economic construction in the period of the First Five-Year Plan despite the existence of the small commodity economy and the capitalist economy? Did we not overfulfill the original plan?

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## IMBUE THE WORKING CLASS WITH COMMUNIST IDEAS AGAIN

Beijing RED FLAG in Chinese No 19, 1 Oct 82 pp 35-40

[Article by Yu Yannan [2456 3601 0589]]

[Text] The basic premise and foundation for the strengthening of the development of the working class' ideology is a deep understanding and examination of the present ideological reality of the workers. In China today, the ideology of the working class is in general very good. There is a large number of people with an advanced ideology and thinking and this large section of the population is emerging from the ranks of the workers heroically struggling to work for the socialist modernization program. They are the proof of the existence of such advanced thinking. Nevertheless, there do still exist several problems which demand prompt resolution.

A vast amount of investigative material illustrates very clearly that within the working class there exists a certain proportion of people with a relatively low level of ideology and there are even those who do not realize that the realization of communism is their highest ideal. Within one factory which launched discussions on outlooks on life, there were some people from one workshop who even said that "man's nature is self-centered." The ensuing discussions even produced a small number of people who agreed with this opinion. That is to say, they did not feel that such an opinion is wrong and that such an attitude had long ago been criticized by Marxism as an errant bourgeois concept. Misinterpretation of "self-centeredness" is a social phenomenon which only occurs with the appearance of private ownership in a society and is characteristic of the exploiting classes and the petty bourgeoisie and is in no way inherent in the essential character of human beings. Workers from another factory, in pursuit of so-called "material benefits," felt that "money is the only really dependable thing and that everything else is empty." To put money on a higher plane than everything else, to consider it even more important than political honor or credit, even more valuable than such things, results in occurrences such as the following: Some workers who contravene labor discipline prefer to write self-criticisms than suffer pay deductions. This in fact means that one considers one's own honor and dignity to be something rated in terms of, and exchanged for, money.

Of course, in terms of the work force of the entire country, the above phenomena are confined to only a very small percentage of workers and by no means represents the general ideology of China's working class. Nevertheless, the appearance of such attitudes requires our most serious attention and vigilance. For it illustrates the serious extent of the encroachment of bourgeois and nonproletarian thinking into the ranks of the working class. Under the influence of such thinking, some workers' ideological, political and other qualities have dropped significantly, leaving them with a distinct lack of ideology and a lack of political enthusiasm. One might even say that some people have forgotten the great historical mission borne on the shoulders of the working classes, and even consciously or unconsciously use the morals and values of the bourgeoisie to govern their own thoughts and actions and evaluate and handle their relationships with other people within the socialist conditions of our society. Furthermore, there are those who have been witness to the fact that among those workers who have been severely corrupted by bourgeois thinking, there has also been moral degeneration leading to the occurrence of economic and various other crimes, creating great unrest within the socialist cause. Such infiltration and corruption by bourgeois and other nonproletarian ways of thinking on the minds of the workers class is one of the disastrous results of the 10 years of internal disorder in China. The reactionary moves and actions of the Lin Biao and Jiang Qing counterrevolutionary cliques totally destroyed the standards between positive and negative, good and evil and beauty and ugliness as well as ruining the ideology and thinking of the people. Their intense propagation of extreme individualism poisoned the mental outlook of some people and the aftereffects and pernicious influences of such poisoning have yet to be completely eradicated. Recently, for a multitude of reasons, we have been slack and rather weak in our attitude toward the ideological education of the working masses and ideological and political work. This has also brought about a return to a certain amount of individualism and selfishness, none of which can be ignored. The historical and present influence of bourgeois and other nonproletarian ways of thinking both in China and from abroad cannot be wiped out in a short period of time, thus the struggle to counteract the corruption of such thinking must be carried out over a long period of time. Thus an important task is presented to party departments of every level, to labor committees and organizations of every type as well as to ideological and political workers and theorists, namely, to always make sure, during this new historical period of building socialist modernization, that political and ideological work is constantly strengthened, communist education improved and that workers (in fact all people) are once again imbued with communist and socialist ideas. We should adopt all feasible measures to ensure support for the effective realization of this work and we should not cease to try and improve the quality of the working masses' ideology, politics and morality while helping them to fight and overcome the power of the influences of bourgeois and other nonproletarian ways of thinking. Only in this way can we help preserve the true class qualities of China's working class, help preserve the purity of its ideological consciousness and make more and more members of society shake off old ways of thinking and the fetters of this old consciousness and accept the ideological consciousness of the working class and from this point consolidate and develop the government position and guiding role of

the working class' ideological consciousness within the domain of China's socialist consciousness.

At the same time we must recognize that within the sphere of China's socioeconomic life, we are carrying out a planned economy with market regulation playing an auxiliary role. However, the level of development of China's social production forces requires us to apply ourselves fully to the development of socialist commodity production and commodity exchange starting from now for a relatively long period of time. Under such conditions, the question arises as to how it is possible to develop commodity production and commodity exchange while at the same time awakening the masses to recognition of the limitations of the principles of free commodity exchange and exchange at equal value, destroying the narrow field of vision created by this, and yet also preventing it from overstepping the domain of economic activities and encroaching on the domain of social life; thus, for example, preventing it from encroaching on the domain of mental life or the domain of the relations between ethics and morality or encroaching on common beliefs, ideals, individual and national character and other such sacred domains. This problem indeed throws up some grim and penetrating questions, but before an effective solution can be reached the working classes and the people in general must undergo a strengthening of their communist education so that the level of their ideals and ideological and political consciousness is raised.

The working class is the most advanced class in China and as such possesses characteristics of its advancement which other classes do not have. The reason for this is because it possesses the ideological weaponry of scientific communism (or scientific socialism, the meaning is the same) as well as the fact that it is closely connected to the interrelations of the present-day productive forces and production relations and is in fact the representative of these new productive forces and production relations. But the working class cannot spontaneously generate scientific communist thinking. It must be educated and imbued with such, before it may possess such an ideology and before it may come to understand its own historical position and historical mission, to be the strongest and most advanced social force for the promotion of a beautiful and glorious future. This basic principle of Marxism, even today is still just as applicable as before and is not only fitting for the historical period of the struggle of the working class to attain political power but is also fitting for today's historical period of socialist construction and the eventual realization of communism in the future. In the final analysis the carrying out of communist education for the working class and their imbibement of communist ideology involves making the working class clearly recognize its own basic potential and its actual situation and from this point allow a conscious realization of this potential in order to carry out and support the unremitting struggle. In terms of historical materialism, the social actions of human beings are always the product of certain demands for interest. The ways in which such demands manifest themselves are numerous, such as individual interest, class interest and social interest as well as partial interests and all-round interests, short-term interests and long-term interests. The way in which people perceive these interests are also

numerous. In general people always tend to perceive first of all their own personal immediate interests, for such interests can be perceived through the senses in daily life, while long-term and all-round interests are not perceived or appreciated in the same way, and hence are not seen through the senses of everyday life. In order to appreciate such interests one must do some theoretical thinking and one must formulate scientific abstractions and theoretical generalizations from the individual to the general and from the concrete subject to the essential nature of a situation. The ideological system of scientific communism makes up the ideological system of the working class and clarifies the fundamental principles developed in society as well as the conditions for the working class to liberate themselves and the entire masses and expresses the most profound and fundamental of the working class' and laboring masses' interests. Of course such an ideological system cannot be created by the daily perceptions of the working people, but can only be established and developed through the intense study, by Marxist theorists and working class political parties, of the ideological and cultural results already achieved in the history of mankind, the study of the working class' class position and the study of the practical experiences of the workers' movement as well as extensive theoretical work and theoretical generalizations. Before the appearance of Marxism and theoretical communism the working class had already long existed as an objective class of society and indeed had already started its mass struggle to fight against capitalist exploitation. However, this struggle was carried out without the working masses' appreciation of the essential interests and good of its own class, and its motive force was only immediate short-term direct interests. Moreover, the contents of the struggle were predominantly economic and had not yet unified to overturn the entire capitalist ideological system and system of exploitation and for this reason was still stuck in a stage of spontaneity. Only by imbuing the working masses with scientific communism and uniting the worker movement can the working class gradually come to understand its own essential interests and thereafter cause the historical change from being a class-in-itself to a class-for-itself and thus the workers movement will have an awareness and be able to mold itself into a true communist movement. Such a fact of history amply clarifies the urgent importance and great significance of communist ideological education in the development of the working class and other revolutionary causes. Today we should continue our support for educating and imbuing the working people with communism and communist ideas as well as its significance and aims, which are to ensure that the working masses, under a new set of historical conditions, may continue to understand and bear in mind the essential interests of their own class and mankind in general and so that they may also be able to broaden their field of vision from individual, family or enterprise interests to recognize completely and understand the interests of the development of the entire socialist society. In this way they may accurately combine individual and social interests and thereby consciously serve the developed demands of social interests. At the same time they should actively try to influence and win over the broad spectrum of the masses in order to jointly develop the socialist cause and to arduously struggle and ceaselessly strive to bring our society nearer to our glorious aim of communism.

In order to ensure the effective realization of communist education, one must first improve the contents of such an educational program. It should be similar to the cultural education system in China given to the public from primary through secondary school to university with unified contents and a sequential order combined with composite planning. Thus the communist education provided by the party for the working class and other members of society must be based on summarized practical experience to gradually build up its own complete system. From the moment a worker enters a factory to the day he or she retires, he or she should, at various times, relate their actual thinking to gradually create a systematic education of ideology. We feel that this system of communist education should, in terms of content, include the following basic facets: 1) Education in communist ideology. The ideal of revolution is a form of advanced social consciousness and a scientific belief, and is the spiritual force urging the people to build an objective world and society to develop. We must firmly establish the lofty ideals of communism in the working masses, especially in the young workers. And not only must we thoroughly educate them in the basic theories of Marxism, we must also educate them thoroughly in revolutionary history as well as socialism, patriotism and internationalism. After completing such a program of education, they will be able to grasp the basic tenets of Marxist principles of social development and come to understand how the continuous, advanced dialectical methodology of the communist movement with its mutual promotion and mutual integration of international and national conditions is able to carry on the history and thence glorious tradition developed by China's and the international communist movement. Thereafter they may take those ideals fought for on behalf of the socialist and communist cause, to become the solid theoretical and practical base for the creation of a firm and rock-steady conviction based on their own thinking. Thereafter they may closely tie up this conviction with their own aspirations and actual work and life and therefore stimulate themselves to turn and face the bright future and then march forward courageously to struggle, create and construct. 2) Education in communist labor attitude. In a socialist society, because of the restrictions on the level of development of the productive forces, labor is still a means of life. The principle of distribution according to work should be applied for the distribution of consumer products and we must recognize the principle of laborers being concerned about the socialist material benefits of the fruits of their own labors on the basis of individual material benefits. Nevertheless, we must teach the workers and other laborers to establish a communist labor attitude and encourage them to work without consideration of remuneration and to concern themselves with the collective fruits of their labors on the basis of social benefits, to serve the people heart and soul and to serve the fulfillment of the material and cultural demands of the entire population. Naturally it is not possible during the socialist stage, for communist labor with disregard for remuneration to occupy an authoritative position within the entire sphere of social activities, but such communist aims should and indeed can be increased and developed. The spheres of work and advanced people who continue to appear from within the work force and the laboring masses are the true embodiment of communist labor. We must adeptly put to use their achievements and experiences in order to educate the workers. Some people still do not understand why, if we are still in

the socialist stage of development, we should carry out communist education, establish a communist morality and advocate a communist labor attitude. Socialism is the first stage of communism, thus without actively developing communist aims and ideals there can be no improvement and development in the socialist system. Hence, in terms of distribution, it is necessary to support the principle of distribution according to labor while at the same time actively promoting a communist labor attitude before the development of our society's labor and economic life attains an all-round, solid motive force.

3) Education in communist morality. Lenin said: "The basis of communist morality is the struggle to consolidate and complete the communist task." ("Selected Works of Lenin," Vol 4, p 355) The main task and substance of educating the working masses and other members of society in communist morality is to train them to become loyal to the cause of socialism and communism. Furthermore, in order to achieve a positive attitude toward work and life, we must help them develop a consciousness toward work responsibility and thereby make them come to clearly understand that there is no difference between individual and social interests within the new society and that true happiness and social value for each member of society illustrate itself in one's struggle to succeed in striving toward the aim of communism. Thus, consciously performing one's social tasks, consciously abiding by the laws of society and the basic principles of everyday life, consciously protecting and promoting the new interrelations between workers in terms of unity, assistance, love and cooperation, and consciously destroying all phenomena which go against the interests of society are the lines along which the struggle must continue. The country and the society will come to evaluate each individual's moral standards based on his or her working and social activities and general behavior and the extent to which these factors contribute to the victory of the socialist and communist cause.

In the process of carrying out the teaching of communist morality, we should at the same time introduce legal education. Moral education creates the necessary premises for respect for legal authority and legal education can help establish the principles of communist morality within the course of everyday life.

4) Education in appreciating the beauty of communism. This is an indispensable part of communist education and in fact turns up in every aspect of such education and is an important factor in improving the effectiveness of the education in ideals, labor attitude and morality. The most important task in educating workers and members of society to understand the beauty of communism is to foster and strengthen their ability to appreciate such beauty, to encourage them to love and pursue those things in life of a revolutionary, advanced, healthy and beautiful nature and to foster abhorrence, resistance and struggle against all corrupting and awful things which oppose socialism. They should be helped to establish the basic distinction between their own view on the appreciation of beauty and that of the bourgeoisie and other exploitative classes and to take human, ideal, moral and social activities of a communist nature as the basic premise for an advanced view of beauty as well as a standard for viewing such beauty. From such premises the masses may then use such views of beauty and such standards, as well as the generalizations of beauty reflected by such standards, to organize their own material and spiritual lives, and thereby constantly improve the style and direction of their lives. Both historical and present-day experience illustrates that the nearer a person comes to

attaining a communist appreciation of beauty, the more he or she is able to penetrate deeper into the beauty of the world and in this way his or her thinking and behavior will reach higher standards and greater purity and hence the more he or she will consciously be able to contribute to the great tasks for attaining the ideals of communism. Here, then, we have made a brief summary of the significance and most important tasks involved in carrying out communist education. The more concrete problems of what the specific content of such education should be, what should be learned first, how each separate subject should be thoroughly learned, what concrete requirements should be aimed at after the learning experience and how such education should be tested, all such problems require the strength of every level of the party administration and of the workers' organizations and committees to work out a comprehensive plan by summarizing practical experience and carrying out scientific study so that an outline for the educational material may be established. With this educational outline every region, every business and every enterprise can formulate more concrete and specific plans based on their own characteristics. In general, then, this education must gradually be standardized and systematized.

In order that communist education sees fruition, changes and improvements must be made in the shape and methodology of ideological and political education within enterprises. The core of communist education is to seek and probe for the truth and spread the truth. Since truth is scientific it follows that the style and methodology of probing for it and spreading it must also be scientific and must conform with the inner nature of truth. In other words this style and methodology must persuade and inspire the masses to seek the enormous strength to be found in an awareness of the truth. Marx said: "Not only should the results of probing conform with the truth, but the ways through which such results are achieved must also conform with the truth." ("Complete Works of Marx and Engels," Vol 1, p 8) In addition Lenin also said: "We cannot endorse the use of a stick to get people into heaven." ("Collected Works of Lenin," Vol 20, pp 58-59) These quotations clearly point out the necessity for adopting scientific methodology in our search for and spreading of the truth. In the process of carrying out communist education of the masses, we must also take a good look at the glorious tradition and methodology that our party has inherited and accumulated over many years in terms of ideological and political work and improve those areas which are no longer suitable for today's world and thereby create new methodology and styles of a lively nature which will be easier for the masses to accept. At present, the most important target for communist education in enterprise is the young people. On the basis of young people's ability to think independently, their thirst for knowledge and their wideranging interest and love for things, we must strengthen the direction of educational work as well as its liveliness and knowledge content. We must support the adoption of guiding and inspirational teaching methods and aim for positive education with a sequential and lively style to it. At the same time we must bring together ideological and political education with rich and varied spare-time cultural activities. Watching films, television and reading literary and scientific books all comprise an important part of the workers', in particular young workers', spare-time activities. We should examine this area very carefully and ensure the

highest quality of radio, television and films as well as newspapers and books read by workers, thereby making them an important channel for the dissemination of communist thinking and ideas and acting as increasingly rich spiritual nourishment for the workers.

Some people only partially understand the need to make ideological and political work serve the needs of economic work and in so thinking they make the contents of ideological education within enterprises extremely narrow, restricted only to ensuring work attendance, safe production and the completion of production plans. Such an attitude means that the comprehensiveness of communist education is ignored as is the importance of improving educational methods and styles. Such a situation demands immediate rectification. Correct and effective communist education is the best means of improving the workers' political and ideological consciousness, the best means of ensuring a socialist quality and expansional direction to an enterprise and the best and most basic means of expanding enterprise production and raising productivity. These few points must have our full attention.

Some people feel that educating workers with communism at present will not meet with success. This is not true. Many regions and enterprises which have already started educating their young workers with communist ideas have now established a series of good styles and teaching methods, while at the same time amassing successful experiences. An example might be the Yangzhou Cotton Mill in Jiangsu Province mentioned in the piece entitled "Correct Appraisal of the New Era of China's Working Class." The factory set up a political school in which, with the help of guiding and correct educational methods and successful integration with the realities of the workers' actual thinking, they carried out education in the four basic principles of the party as well as the historical mission of the working class and obtained results which satisfied everyone. The school ran classes for 10 weeks, with attendance from a total of 491 people, with over 90 percent of those attending taking time off work to study. There were varying degrees of improvement in many aspects such as ideological and political consciousness, labor attitude, labor discipline, moral standing and work responsibility. Families of those attending the school sent silk banners congratulating the school on its successful teaching methods. The success and outstanding achievements obtained by this political school cannot be separated from the unceasing energy and work of those ideological and political workers active in the factory who managed to organize the school. At the same time as improving the training of ideological and political workers we must also select a series of workers who show keen interest in their political and ideological work, display revolutionary spirit, possess cultural and scientific knowledge and high standards of Marxist-Leninist theory and who have close contact with the working masses and take these people and train them thoroughly to undertake similar tasks elsewhere so that we may build up a great team of ideological and political as well as communist education workers. We must realize that when the working class has undergone a long period of training in communist activities they will possess the tradition of learning communist theory. The brightest and most intelligent of our ideological and political workers must constantly amass

and summarize their experiences so that they may construct new methods and styles of educating the working masses in ideology. An upsurge in communist education centered on the scientific theories of Marxism-Leninism-Mao Zedong Thought will, in line with the incessantly developing direction of China's political and economic situation, without doubt flourish in China.

At the same time as educating the working class in communist ideas, we must ensure that the working class also receives cultural and scientific education. Such education not only raises the workers' production capacity and the vital need for them to grasp the complexities of modern equipment, it also helps them grasp the theory of communism. Both Lenin and Mao Zedong pointed out the importance of this problem many times. Just as one cannot come to understand the complexities of modern machinery without scientific and cultural knowledge, so too, without a certain level of culture, one cannot come to understand relatively complicated ideological, political and theoretical problems. Our work in ideological and political education can only reach a relatively low level, thus we must raise the level of cultural, scientific and technological education above that of ideological and political education. During this period of economic readjustment and enterprise consolidation it is vital and feasible to carry out training and education for all workers which will include both ideological and political as well as cultural and scientific content.

The Communist Party of China may be seen as the vanguard of the working class and as the political party of communism and its amassed work and activities embody the realities of China's communist movement and the ideology of communism. In terms of national and social life, the Communist Party of China plays a guiding role for ideology and politics. Education in communist ideology for the masses, in particular the working masses, is therefore, an important and frequently recurring task of party members at all levels including enterprise party members. An important aspect of this task is the strengthening and improvement of ideological and political educational work by party leaders involved in strengthening and improving the party itself. Furthermore, the very center of socialist spiritual and cultural construction may be seen as the carrying out of communist ideological education for the masses, in particular the working masses. Only if we recognize the position and role of communist education within party activities and within spiritual civilization construction in general, can we definitely carry out and complete this work and make our working classes and other adult members of society into a new breed of person more and more imbued with the ideals, morality, culture and discipline to devote themselves to the communist cause.

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## HOW TO STUDY THE SECOND PART OF THE REPORT TO THE 12TH CPC NATIONAL CONGRESS

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[Article by RED FLAG Editorial Office for Theoretical Education; passages within slantlines published in boldface]

[Text] On the basis of summing up the experience and lessons of China's economic construction and analyzing China's national situation, this section deals with the economic program for socialist modernization, and discusses the following main issues: one strategic goal, two strategic periods, three strategic focal points and four main principles concerning the task of China's economic construction between 1981 and the end of the century. These four issues have their own points of emphasis, but are interrelated and together form a complete and clear blueprint for socialist economic construction.

Through our study, we can divide the above four issues into four main points, come to a deep understanding of their meaning and put forward the objective bases for their proposal, clarify the relations between them and master the basic contents of this construction program as a whole.

/In studying the strategic goal, we must have a clear understanding of the following: 1) the concrete meaning of the strategic aim of China's economic construction from the year 1981 to the end of this century; 2) the great significance of realizing this strategic aim; 3) the real possibility and objective basis of realizing this strategic aim./

The report points out: "In the 20 years from the year 1981 to the end of this century, the general aim of our country's economic construction is to strive to quadruple the total annual industrial and agricultural output value of the whole country by constantly raising economic results; that is, to increase the output from 710 billion yuan in the year 1980 to 2.8 trillion yuan in the year 2000." The quadrupling referred to here means that the total yearly industrial and agricultural output value of our country by the end of this century will be four times as much as that in the year 1980 (calculated according to the fixed prices in 1980). In other words, this will be the achievement of two twofold increases. These various ways of expression mean one and the same thing. In addition, the quadrupling refers to the industrial and agricultural total output value. With regard to the

output or output value of each product, the increase will not necessarily be 400 percent. It may be higher or lower than that. What merits particular attention is that the fourfold increase must be realized "by constantly raising economic results." In other words, the increase of output value must not be inflated or exaggerated. It must be real and be obtained through constantly tapping potential, reducing consumption, raising quality and broadening and deepening production.

To quadruple the total yearly industrial and agricultural output value in 20 years is an impressive aim. It presages a glorious future for our country's socialist construction and for our people. If we manage to achieve this strategic aim, our total national income and the output of our main industrial and agricultural products will occupy a leading position in the world, the income of the people in the cities and the countryside will double and their material and cultural life will reach a comfortable standard. We must not belittle "the quadrupling of the total yearly industrial and agricultural output value." Whether we look at it from the angle of our country's present economic status, or compare it with the speed of economic growth of other countries, we can be proud of this aim. According to general statistics of Western countries, China's gross national product in 1980 was about 1/9 of that of the United States, a little less than 1/4 of that of the Soviet Union, 1/4 of that of Japan and a little more than 1/3 of that of West Germany. Increasing it by four times means that our country's gross national product will be close to that of Japan in 1980, which then ranked third in the world, and will far exceed that of West Germany, which ranked fourth in the world. Of course, because China has a large population, the level of per capita national income will still be low. Moreover, by the end of this century, other countries will also have progressed. However, because the average growth rate of China's industry and agriculture is higher than that of economically developed countries, the gap between China and these countries will certainly be narrowed. We must not belittle the "comfortable standard of living." The "comfortable standard of living" means a common medium level of material and cultural prosperity. Having achieved this, although our living standard will not be high in comparison with that of economically developed countries, we must understand the following: First, the "comfort" we are referring to will be comfort enjoyed by the entire population. It will not be like that of capitalist countries, where the greater part of the high national income goes into the pockets of a few capitalists. Second, the "comfort" we are referring to is real comfort, bringing substantial benefits to the people. It is different from that of capitalist countries, where because of heavy taxes, inflation and rising unemployment, a significant amount of the laborers' income is stripped from them. Third, the "comfort" we are referring to is comfort that will enable the whole people to live happily. It is different from that of capitalist countries, where the working people are often worried by unemployment, robberies and murders, and cannot live in peace. In our study, we must be good at combining theory with practice, make scientific comparisons and come to a deep understanding of the great significance of achieving the strategic aim.

The strategic aim determined by the party Central Committee is formidable but also realistic, and can be achieved through hard work. Some comrades are not confident enough of this because they have not yet got rid of the negative influence of past economic setbacks, and because they have not fully understood the favorable conditions for realizing the strategic aim. We should realize that since the third plenary session of the party, by bringing order out of chaos, we have corrected the past "left" erroneous tendency, correctly summed up experience and lessons and found a new road of the Chinese type for building socialism. In addition, after more than 30 years of construction, our country has built up certain material and technological foundations. We have a relatively complete industrial system with relatively complete branches, and distribution is becoming rationalized. The foundations of industrial, transportation and nonmaterial production departments are far better than before. Take industry for example. Its potential is great. At present, China's energy utilization ratio is about 30 percent on average, while that of advanced industrial countries is as high as 50 percent. The output value produced by each 10,000 tons of energy in our country is about 63 percent lower than that of the United States and 72 percent lower than that of Japan. The history of economic development in the past 30 years or so also shows that it is possible to achieve a fourfold increase. For instance, a fourfold increase in 20 years means an average yearly increase of 7.2 percent. What was the growth rate of our country's production in the past? Calculated according to fixed prices, the total industrial and agricultural output value in 1981 had increased by 850 percent over 1952. In other words, the industrial and agricultural total output value was over 9 times as much. The average yearly rate of increase of our country's total industrial and agricultural output value between 1953 and 1981 was 8.1 percent. In the 20 years from 1961 to 1980, China's economic construction was affected by the erroneous "left" tendency. It was especially undermined by the 10 years of internal disorder. Yet the average yearly increase rate of the total industrial and agricultural output value still reached 6.1 percent, although economic results at that time were not high. At present, China has unprecedentedly favorable conditions for its economic construction. It is perfectly possible to make the average yearly increase rate of the total industrial and agricultural output value exceed 6.1 percent and reach more than 7 percent in the coming 20 years. We must have full confidence in this.

/The second focal point is a key problem of strategy for China's economic construction in the coming 20 years. Why must we grasp strategic key points in realizing our strategic aim? What is the relationship between non-strategic points and strategic key points? We must come to a good understanding of these questions in our study./

The various departments involved in economic and social development form an organic whole. Because the positions and status of the various departments are different, in the process of economic development, some of them will become key departments and some will not, and they must be tackled in order of priority and urgency. According to specific conditions and within a certain period of time, we must lay stress on the principal and weak

departments that restrict economic development, and concentrate our efforts mainly on strengthening them. This is a practical, realistic and far-sighted strategy. Although China's agriculture, energy, communications, education and science have developed to a certain degree, they have for a long time lagged behind the development of the national economy as a whole, and have been weak links that restrict economic development. If we do not solve this problem, we will have great difficulty in realizing our strategic aim. Therefore, it is of far-reaching significance that the party Central Committee has decided that the above departments will be our strategic focal points in the coming 20 years.

Agriculture is the foundation of the national economy. The status of this foundation has a decisive bearing on the development of the national economy as a whole. Since the third plenary session of the party and the popularization of the production responsibility system, we have developed a diversified economy by paying close attention to grain production, and China's agricultural production has developed remarkably quickly. But we have not fundamentally changed the low level of our agriculture, labor productivity and commodity rate. Our conditions for agricultural production are bad, and our ability to take precautions against natural calamities is low. The grain provided by each agricultural laborer is sufficient to support only about three people, far lower than the level of economically developed countries. The marketable surplus of grain amounts to only 15 percent. Products from forestry, animal husbandry, sideline production and fishery have been in short supply for a long time. In particular, China has a large agricultural population and little cultivated land. The average area of cultivated land per person is only about 1/3 of the 4.9 mu world average. The contradiction between a large agricultural population and little cultivated land is becoming more and more marked. All this shows that China's agriculture, the foundation of the national economy, is still weak. Only by firmly stressing agriculture as a strategic focal point, can we lay a more solid foundation for the development of the national economy.

Energy and communications are two important branches of material production in the national economy. Energy provides fuel and power for the national economy, and communications are the veins of the national economy. Since liberation, China's energy production has developed greatly. But because the processing industry has developed even faster and the utilization of energy has been low, energy production has for a long time been a weak link restricting our economic development. According to preliminary calculations, due to the shortage of electricity and coal, 20-30 percent of equipment throughout the country cannot operate at full capacity. The further exploitation of energy resources has become an urgent task. This needs a lot of investment, and a long construction period. But as to economizing on energy, it is quite a different matter. So long as we adopt effective measures, we can achieve quick and remarkable results. If we raised the utilization ratio of our country's energy to that of present-day Japan, we would quadruple our energy output. Therefore, we must concentrate on the planned exploitation of energy resources and the economical use of energy to guarantee the fulfillment of the needs of the development of the national economy. Communications and transport are another weak link in

the national economy. In the past 30-odd years, the volume of our country's railway cargo has increased 30 times, but the railway mileage open to traffic has increased by 130 percent only. There are more and more weak areas and sections, and the transport capacity of "bottleneck" areas and sections can carry only 50-70 percent of the railway transport volume. On the one hand, coal that has been produced cannot be transported by train. On the other hand, due to the shortage of coal, work on the industrial front cannot be carried out fully. The capacity of highway and waterway transportation is comparatively weak, the handling capacity of our ports is inadequate and the waiting time for unloading is too long. Because the "veins" of communications and transportation are insufficient, industrial and agricultural production and the livelihood of the people are seriously affected. Only when we make great efforts to grasp these weak links as focal points, can we really guarantee the realization of the strategic aim.

The modernization of science and technology is the key link of the four modernizations. Science and technology determine more and more directly not only the speed of our country's economic development, but also the level of economic results throughout the country. At present, the consumption level in our country's production is high, its economic results are poor and its equipment and products lag behind advanced world standards. The fundamental reasons are that the level of science and technology is low and management is backward. The fact that economic structure, the organizational structure of enterprises and the structure of products are irrational reflects to a large extent the low level of China's science and technology and of its management. On the whole, the technological level of our country's industrial production is only equal to that of developed industrialized countries in the late fifties and early sixties. It is 20 years behind the advanced scientific and technological level of the world today. There are not many engineering technicians in our country. The average educational level of the masses of workers and peasants is low. There are not many skilled workers nor skilled specialized management personnel. All this slows down the development of our country's economy. According to statistics, in developed industrialized countries, 60-80 percent of the development of industrial production is achieved through technological innovations. Science and technology must be applied and developed by those people who are relatively well educated. Obviously, it is difficult for China's economy to rank in the forefront of the world if we do not raise our cultural and educational levels and our scientific and technological standards.

Laying proper emphasis on the strategic focal points not only accords with the objective requirements of the overall balance of the national economy, but also with the trend of the future development of the national economy. Therefore, it is absolutely necessary to concentrate appropriate funds and energies on the above fields. But it does not mean that we can place other branches of the national economy in an insignificant position. Developing strategic focal points requires the joint efforts of various trades and enterprises, and breakthroughs in strategic focal areas will in turn bring forward and promote the development of other branches. In our study, we must combine theory with practice and correctly understand the

interrelationship and compatibility of the dialectical relations between strategic and nonstrategic focal points. It is wrong to overlook the importance of laying proper emphasis on strategic focal points and to fail to make positive contributions to doing this. On the other hand, it is also wrong to pay attention only to strategic focal points and neglect the development of nonstrategic areas.

We must also take into consideration the fact that China's population is great and its growth rate is too high. This is an important factor which has not only increased the burden of state finance, but also affected economic development and the improvement of the people's livelihood. Under the socialist system, since we can overcome the anarchy of material production, we should and can overcome the anarchy of population growth. In the coming 20 years, it is also one of our strategic tasks to effectively control the population growth and to raise the quality of the population.

/The third focal point proposes to realize our strategic aim in two stages. When studying this problem, we must gain a clear idea of the following: 1) Why must we realize our strategic aim in two stages? 2) What are our main tasks in the first 10 years and in the coming 5 years?/

Realizing our strategic aim in two stages is a correct strategic measure suited to China's economic conditions and trend of development. This is a plan for a gradual, orderly increase in the rate of economic development, and a practical program which strives to suit the subjective to the objective and to bring our initiative into play. In the next two 10-year periods, the first 10 years will be devoted to laying a good foundation, accumulating strength and creating conditions; consequently it will be impossible to achieve a high rate of development. In the second 10 years, we will accelerate our rate of development and enter a new period of vigorous economic development.

Various conditions will restrict our rate of development in the first 10 years. Since the third plenary session of the party, by implementing the principle of readjustment, restructuring, reorganization and upgrading, we have carried out the policy of enlivening our domestic economy and of opening our door to foreign investors. The national economy has therefore developed steadily. However, the many problems left over by history cannot be solved all at once. For instance, we still need a fairly long time to readjust and restructure our disproportionate national economy, and our irrational industrial structure and economic system. It is impossible to change the backward state of energy and communications in a short time. Due to the lack of technological strength and funds, we can only tackle key scientific and technological problems and carry out technical innovations in existing enterprises, and for the time being this cannot be done on a big scale. The training of qualified personnel and the improvement of technological and management standards require a whole process. In the first 10 years, if we can concentrate our efforts on solving the above problems, we will be able to reduce waste, improve economic results and promote productive forces. We can also accumulate strength and lay good foundations for our future development and thus guarantee that there will be a relatively rapid increase in the second 10 years.

In realizing our great strategic aim, the first 10 years, and particularly the first 5 years, are a crucially important period. The tasks of the first 10 years, that is, the tasks of the Sixth and Seventh Five-Year Plan periods, have been clearly explained in the report. In our study, we can also refer to the third part of Comrade Zhao Ziyang's report to the fourth meeting of the fifth people's congress. The report to the 12th CPC National Congress proposes the realization of a fundamental change for the better in our finance and economy within the coming 5 years. We must "markedly improve economic results and steadily maintain a balance in finance and credit, and price stability." The fundamental change for the better in finance and economy seems mainly to involve questions of finance and price, but it is in fact an overall reflection of the entire work of economic construction and of the development of production. Only when we shift the whole of economic work onto the correct path which centers on improving economic results, combine increasing production with practicing economy and do all our work practically and realistically, can we achieve our strategic aim. The whole is composed of parts. Each unit is a piece on the national chessboard. So long as each unit can bring its enthusiasm and initiative into play according to the requirements of overall balance, and make contributions to the realization of the above aim, the whole strategic task can be accomplished even more satisfactorily.

/The fourth focal point deals with four important principles which must be adhered to in realizing our strategic aim. These four principles are actually four dialectical relations in our socialist economic life. They reflect the most important requirements of socialist economic law and play a universal and long-term guiding role in socialist construction. When studying this focal point, we must deepen our understanding of the four dialectical relations by combining theory with practice. In addition, we must act in the light of specific conditions, and prevent and overcome any one-sidedness which might emerge in the course of implementing these principles./

The correct handling of the relationship between carrying out socialist construction and constantly improving the people's livelihood is a requirement of socialist economic law, and primarily of basic socialist economic law. In the final analysis, the purpose of socialist construction is to improve the people's livelihood. But to do this, we must accumulate funds and expand production. Here we are required to handle well the relations between accumulation and consumption and to pay attention to both immediate and long-term interests and the interests of the state, the collective and the individual. Comrade Chen Yun put it this way: "First, we want to eat. Second, we want to carry out construction." In the past few years, we have readjusted the proportion between accumulation and consumption, and the people's livelihood has improved remarkably. But there has been a drop in state revenue, and state funds are excessively decentralized. In the light of this situation, the report proposes that we concentrate our funds on key construction projects so as to change the tendency of excessive decentralization of funds. While continuing to implement the present financial system and protect the autonomy of enterprises, we must appropriately readjust the proportion of distribution between central and local revenue and encourage

localities, departments and enterprises to use their funds for construction projects urgently needed by the state. We can only improve the livelihood of the people in the cities and countryside by developing production, not by reducing the state's indispensable construction funds. In this respect, we must further unify our thinking, raise our understanding and resolutely carry out the above principles through studying the report.

Correct handling of the relationship between maintaining the dominance of the state-run economy on the one hand and developing various economic forms on the other is essential, because of the law that production relations must be suited to the character of productive forces. It also has important bearings on bringing into full play the superiority of the socialist system. The state-run economy controls the state's economic lifelines. It is the principal part of the socialist economy. Maintaining the dominance of the state-run economy is the basic prerequisite for guaranteeing socialist modernization, as well as a decisive factor in guaranteeing that the collective ownership system of the laboring masses will advance along the socialist road, and that the individual economy will serve socialism. On the other hand, due to the imbalance in productive forces, we must rationally dispose of and develop various economic forms in coordination so as to compensate for such imbalance. Only in this way can we bring all positive factors into full play, make the urban and rural economy flourish and satisfy the demands of the people. The correct handling of the relationship between maintaining the dominance of the state-run economy and developing various economic forms was a task put forward after the basic completion of the socialist transformation of the means of production. But since then it has remained unsolved. It was only after the third plenary session of the party that the relationship between the two was handled correctly. In our study, we must combine theory with historical experience and deepen our theoretical understanding of the relationship between the two. In other words, on the one hand, we must unswervingly maintain the leading position of the state-run economy so that we can further perfect its management. On the other hand, we must energetically support the development of various economic forms so that they can play the role of enlivening the economy under the guidance of the state plans.

Relying primarily on a planned economy and secondarily on regulation by market mechanism reflects not only the objective requirements of the law governing the planned and proportionate development of the national economy, but also the requirements of the law of value which still plays a role under the socialist system. A planned economy is the essence of the socialist economy. Only by relying mainly on a planned economy can we guarantee the centralization and unification of the country's economic construction and the coordination and balance of the basic proportions of the national economy. On the other hand, only by bringing into play the subsidiary role of regulation by market mechanism, can we supplement what is inadequate in the state plans and enliven the economy. In the sphere of planning and management, this is manifested as follows: Compulsory plans must be effected concerning the production and allocation of those means of production and consumption which influence the national economy and the people's livelihood, especially in those key enterprises which affect the

economic situation as a whole. With regard to the purchase of grain and other important agricultural and sideline products, compulsory quotas must be worked out. Furthermore, instructive plans must be implemented with regard to many products and enterprises, and economic levers must be used to guarantee their realization. It is permissible to produce and circulate various small commodities according to market demands and within the limits of state decrees, regulations and policies. Correctly handling the relationship between relying mainly on a planned economy and secondarily on regulation by market mechanism has been a problem frequently encountered over the past years; it will continue to be an important problem which we must continue to try and solve in the future. The phenomenon of laying stress on state plans to the neglect of regulation by market mechanism can still be found; and on the other hand, there is still a tendency to over-emphasize regulation by market mechanism to the neglect of the planned economy. To overcome such one-sidedness, we must raise our theoretical understanding of the principles concerned.

The issue of correctly handling the relations between adhering to the principle of self-reliance on the one hand and expanding economic and technological exchanges with foreign countries on the other is actually the issue of correctly handling the relations between China and foreign countries in the course of socialist economic construction. The principle of maintaining independence and self-reliance was, is and will always be our stand-point. In addition, we must also unswervingly carry out an open-door foreign policy, and energetically expand our economic and technological exchanges with foreign countries on the basis of mutual benefit. The purpose of this is ultimately, to strengthen our ability to stand on our own feet. Referring to the relations between China and foreign countries in his "On the Great Ten Relationships," Comrade Mao Zedong pointed out: "Our principle is that we must learn from the strong points of all peoples and countries, and from all the good things in politics, economy, science, technology, literature and arts. But we must learn with analytical and critical eyes. We must not learn blindly, and we must not copy others' experience indiscriminately or mechanically." He also pointed out: "We must resolutely guard against and criticize all the decadent systems and ideas of the foreign bourgeoisie. But this does not prevent us from studying the advanced science and technology of capitalist countries and the scientific aspects of the management of enterprises." We must guard against taking self-reliance to mean isolationism, and being afraid of expanding our economic and technological exchanges with foreign countries. On the other hand, in our economic activities with foreign countries, we must prevent the erroneous tendency of forsaking principles, departing from the correct stand, having blind faith in things foreign and submitting to the corrosive influence of bourgeois ideology.

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## HOW TO STUDY THE THIRD PART OF THE 12TH CPC CONGRESS REPORT

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[Text] This part of the report scientifically expounds the importance of building socialist spiritual civilization in the new historical period from the higher theoretical plane of scientific socialism and the higher political vantage point of the future of China's social development and clearly and definitely formulates the principles, tasks and measures of the building of socialist spiritual civilization. The contents comprise the following four main points:

1. The dialectical relationship between spiritual civilization and material civilization.
2. Socialist spiritual civilization constitutes an important characteristic of the socialist system and a major aspect of its superiority.
3. Socialist spiritual civilization must take communist ideology as its core.
4. The aim, requirements and tasks of building socialist spiritual civilization.

/While studying the first main point, it is advisable to deepen our understanding in the following aspects: 1) What is material civilization? What is spiritual civilization? 2) We must have an understanding of the great significance of socialist spiritual civilization by viewing the interrelationship of spiritual civilization and material civilization. 3) We must pay attention to overcoming the ideological trend to overlook the building of spiritual civilization in light of actual conditions./

Civilization refers to the progress and the civilized state of human society. While talking about Morgan's division of stages in ancient societies, Engels pointed out: "The civilized epoch is a period in which human beings have learned to further process natural products and in which real industry and art have taken shape." ("Selected Works of Marx and Engels," Vol 4, p 23)

Here Engels has already clearly brought to light the contents of the two aspects of civilization, namely, the progress of material production and spiritual production of human society. Human history is a history in which people continuously transform the objective and subjective worlds. In the practical activities to transform the objective external world, people create more and more social material wealth to meet the needs of the material life of human beings. This transformation of nature results in material civilization as manifested in improved conditions for material production and in a better material life for the people. Along with this, the production of spiritual values and the spiritual life of mankind also develops and the ability of human beings to understand the objective external world steadily increases. The achievements in this respect are what we call spiritual civilization, as manifested in a higher educational, scientific and cultural level and in higher ideological, political and moral standards.

Spiritual civilization and material civilization constitute the two aspects of human civilization. Their relationship is just like the two wings of a single bird. They are interdependent and not a single one of the two can be dispensed with. Furthermore, fundamentally speaking, material civilization provides a foundation for spiritual civilization. There may be a higher level of spiritual civilization in a situation in which the conditions for material production are relatively on the low side, but without a prosperous and developed economy, such undertakings as education, science and culture will surely be restricted and a backward economy will also interfere with social morality and practices. Therefore, we must do a good job in economic construction so as to ensure the continuous progress of social material production and the continuous enhancement of the level of material life of the people, thus further creating conditions for enriching and developing the production of spiritual values and spiritual life. On the other hand, spiritual civilization gives a tremendous impetus to the development of material civilization. Education, science and others are a latent productive force which gives people knowledge, methods and skills. Once this knowledge, methods and skills are grasped by the working people, they will become a practical productive force. The ideological education in spiritual civilization not only plays a motivating role in the building of material civilization but also ensures its correct orientation. In any society, the class which occupies a dominant position tries to make its own ideological system dominant in the society to accelerate the development of material production and material life in line with the interests and requirements of its own class. In a socialist society, it is the proletarian ideology that occupies a dominant position. The proletarian ideology represents the fundamental interests of the working people and corresponds with the orientation of the development of human society, so any ideological system in history cannot compare with the proletarian ideology in the motivating role the latter plays in the development of material production and material life. It is precisely because of this that we must do our utmost to build socialist spiritual civilization and arm the masses of people with proletarian communist ideology so that they can give play to their enthusiasm and creativity for building a modern and powerful socialist country and forcefully push socialist material civilization forward.

Some people hold that it is not until material civilization is highly developed that we can begin to talk about the building of spiritual civilization or deem that spiritual civilization will spontaneously arise when material civilization is highly developed. This argument reflects the inadequate understanding of the significance of the building of socialist spiritual civilization and the lack of a thorough comprehension of the dialectical relationship of the two civilizations. As we have mentioned above, material civilization provides an indispensable foundation for spiritual civilization and any view that overlooks the building of spiritual civilization is wrong. However, this does not mean that spiritual civilization is a simple and mechanical derivative of material civilization, nor does it mean that spiritual civilization and material civilization develop simultaneously and spontaneously. It must be seen that under given conditions, the level of development of spiritual civilization, and in particular, its ideological contents, and that of material civilization are not even. The development of spiritual civilization can possibly be higher or lower than that of material civilization. The development of ideological education can possibly be higher or lower than that of the cultural aspect of civilization. In the capitalist society, material civilization is highly developed and such aspects as scientific and technological undertakings as well as cultural and educational undertakings are fairly developed. However, on the other hand, of such aspects as ideology and politics as well as ethics and morality, many are decadent and degenerate; the people lead a life devoid of spiritual meaning; and the relationship between man and man is an out-and-out relationship based on money, and so on. All this is determined by its capitalist system. Ours is a socialist society. Although our socialist society is still in its primitive stage of development at present and is not yet highly developed, the political and ideological consciousness and the ethics and morality of the people are far ahead of those people in the capitalist countries with a highly developed material civilization. The main reason for this state of affairs lies in the fact that our country is under the socialist system. Therefore, it is one-sided and unscientific to talk in indiscriminate and general terms about "when the granary is bursting, people will observe etiquette and when clothing and food are ample, people will pay attention to honor or disgrace." This will easily make people think that it seems a spiritual civilization will spontaneously grow with the development of material civilization and will even make people concentrate on the enjoyment of material life and neglect the enhancement of the level of their mental outlook. In fact, material wealth can benefit the people and can also lead the people to degeneration. If we do not enthusiastically build socialist spiritual civilization, the people's ideological consciousness will not necessarily grow with the developed social production and the improved material life.

/While studying the second main point, we must fully understand that socialist spiritual civilization constitutes an important characteristic of the socialist system and a major aspect of its superiority through studying the Marxist basic principle and summing up the practical experience in socialist construction./

We all know that in talking about a society, Marx would first state the economic structure of the society and at the same time, would relate the political and legal superstructure founded on this economic basis and also the social ideology which corresponds to this economy and politics. This exposition of Marx is also applicable in a socialist society. In other words, in analyzing the characteristics of a socialist society, it is not comprehensive to lay one-sided stress on the economic basis and politics without paying attention to the situation of social ideology, culture, education, ideology and morality. In regard to the characteristics of socialism, apart from the public ownership of the means of production, distribution according to work, planned economy and political power of the working class and other working people, as we termed them in the past, there must be one more important characteristic, that is, socialist spiritual civilization. If we fall into a one-sided understanding of socialism and neglect the building of socialist spiritual civilization, we will lose our ability to resist the inroads of various ways of life and ideology which are corrupt, the building of material civilization will possibly deviate from the socialist course and socialism will be in danger of developing in a degenerate fashion.

At the same time, apart from finding expression in such aspects as the elimination of the exploitation system, realization of the public ownership of the means of production, the masses of people being the masters of the country and the implementation of the principle of distribution according to work, the superiority of the socialist system is also manifested in spiritual civilization. Socialism has eliminated the social phenomena of the exploitation of man by man and the oppression of man by man, thus enabling all people to have common fundamental interests, common ideals, common goals of struggle and common moral standards, and even a common sense of law and discipline. Although in a socialist society there exists a class struggle within certain limits and the influences of the remnants of feudal ideas and of capitalist ideology, fundamentally speaking, because all people have common interests and share joys and sorrows together, various virtues, such as ardently loving the motherland and ardently loving labor, being concerned with the collective, finding it a pleasure to help others, being selfless, observing discipline and abiding by the law and heroic dedication to socialism and communism, will always find expression in more and more people. In addition, these common revolutionary ideals, morality and discipline cannot be possessed by any society with class antagonism, which is based on the private ownership system of the means of production. Take the educational, scientific and cultural undertakings for example. China's present level of development in this respect lags far behind that of the developed capitalist countries, but we must see to it that our educational, scientific and cultural undertakings genuinely serve the working people. Therefore, taken as a whole, the more socialist spiritual civilization develops, the more fully the superiority of the socialist system will be manifested.

Seen from the practical experience of building socialism, we have had profound experiences and lessons in the issue of building socialist spiritual civilization. Carrying forward revolutionary traditions and attaching

importance to ideological and political work are our party's glorious traditions. In a considerably long period of time, the general mood of our society has been fine. However, during the 10 years of the "Great Cultural Revolution," owing to the sabotage done by Lin Biao and the "gang of four," China's educational, scientific and cultural undertakings were seriously trampled underfoot; anarchism and out-and-out egoism ran rampant and the fine party style and the work style of the people were seriously damaged. These evil influences have not yet been completely eliminated to this day. In the last few years, there has been a renewed increase in the corrosive influence of capitalist ideology coming from other countries in the ranks of our party members and cadres. The history of complications and the present situation have greatly educated us, thus enabling us to acquire a further understanding of the importance and necessity of building socialist spiritual civilization. At present, the 12th CPC Congress report has theoretically made a brilliant exposition of socialist spiritual civilization and affirmed it as an important characteristic of socialism and a major aspect of the superiority of the socialist system. This is a great advance in the party's understanding of socialism and also the inheritance and development of the theory of scientific socialism. It will play a great guiding role in our socialist modernization program.

/While studying the third main point, we must emphatically comprehend that:  
1) Why should socialist spiritual civilization take communist ideology as its core? 2) Why should stress be put on the conducting of education in communist ideology during the period of socialism?/

The report points out that communist ideology constitutes the core of socialist spiritual civilization. It is known to all that the so-called core refers to the section of a thing which plays a guiding role in the internal parts of the thing and which determines its nature and orientation. Any society is bound to develop the cultural aspect of spiritual civilization which it needs. However, the scope and level of the cultural aspect can neither determine its own character and orientation nor show the character and orientation of the socialist spiritual civilization of the whole society. This is determined by the character and orientation of the development of another aspect of spiritual civilization--ideological education. Some contents of the cultural aspect, such as education and literature and art, have a class character in such fundamental questions as the guiding ideology of their development and who they serve; the cultural aspect is restricted by the politics and ideology in a society; the other contents such as natural sciences, hygiene and education have no class character themselves but there still exists the question of under the guidance of what ideology they should be developed. As a scientific ideological system which reflects the laws governing social development, communism represents the fundamental interests of the people and occupies a guiding position in all spheres of our socialist society. This just determines that communism will surely constitute the core of socialist spiritual civilization and that we are also surely required to educate the people in communist ideology and morality while building socialist spiritual civilization.

Some people say that while we are in a stage of socialism, it is unwise to raise the question of education in communist ideology and morality. This view is erroneous and does not tally with historical and practical facts. As a social system, the characteristics of communism are from each according to his ability, to each according to his work. Only when the productive forces are substantially developed and the political consciousness of the people is tremendously heightened can the communist system be realized. This requires generations of protracted endeavors. However, the spread of communist ideas and the revolutionary movement for the realization of the ideal of communism already existed long ago in our life. The Chinese communist movement has been carried out in an organized and programmatic way in China since the very day when the PRC was founded. Without the vanguard founded on the basis of the communist ideological system and without influencing and educating the masses in communist ideology, the victory of the new democratic revolution was out of the question, let alone the victory of the economic construction which we are carrying out today! Of course, we are definitely not intending to immediately carry out in society the policies of the higher phase of socialism-communism, but on the contrary, we must persist in implementing the system of distribution according to work and other socialist systems and avoid repeating the errors made in the past under the guidance of "leftist" ideology. However, only when we influence and educate the masses in communist ideology and enhance their political consciousness and enthusiasm for revolution can the socialist orientation of China's modernization be safeguarded, can our socialist society acquire tremendous spiritual motivation and strong fighting spirit and can the inroad of corrupt influences be resisted. It is only in this way that we can fulfill the historical tasks of the socialist modernization program and lay a solid foundation for our advance toward the great goal of communism. In reality, inspired by communist ideology, whether in the period of the new democratic revolution or in the period of socialism, there were thousands upon thousands of heroic fighters who defied personal danger, shed their blood and dedicated their lives to the cause of communism and there are thousands upon thousands of advanced people who are giving all they have to socialist construction. We must encourage a communist ideology and attitude toward labor, learn from revolutionary martyrs and from advanced people and do a good job in every kind of work in the socialist modernization program.

/While studying the fourth main point, we must clearly and definitely understand that the aim of our building of socialist spiritual civilization is to inspire more and more members of our society to become working people with lofty ideals, moral integrity, education and a sense of discipline through practical work in various fields, and in addition we must foster and develop in all of society new social relations which embody socialist spiritual civilization./

Socialist spiritual civilization consists of two aspects, cultural development and ideological education. Building socialism and communism requires highly advanced cultural and scientific knowledge. Lenin pointed out: "It is impossible to establish a communist society in a country of illiterates." He also said: "Only when he enriches himself with the whole wealth of

knowledge created by mankind can a man become a communist." ("Selected Works of Lenin," Vol 4, pp 348, 357) It is beyond imagination to build socialism and communism without inheriting and grasping the whole wealth of knowledge of mankind and without ensuring the high development of the educational, scientific and various other cultural undertakings. Owing to social and historical reasons, erroneous ideas such as the underestimation of the importance of education, science and culture and discrimination against intellectuals were rife in our party for a fairly long time, and although they have now been overcome to some extent, they still call for further elimination. We must further implement the policy toward intellectuals, arouse the enthusiasm of the intellectuals and ensure the continued development of the cultural aspect both ideologically and organizationally. We must fulfill the task of achieving universal primary education in the main throughout the country in 1990, and at the same time, pay close attention to the training of cadres so that they can become more knowledgeable and specialized, to the tutoring of the young staff and workers so that they can acquire more general knowledge and to the development of various other cultural undertakings.

While strengthening cultural development, we must vigorously carry out ideological education. The contents of ideological education are many but the most important one is revolutionary ideals, morality and discipline. We must first of all help party members, Communist Youth League members and all other advanced elements foster communist ideals, morality and practices and attitude toward labor, foster lofty ideological values, way of life and aesthetic standards, foster the spirit of consciously abiding by the law and a high sense of organization and discipline, persist in subordinating the personal and partial interests to the interests of the whole and the immediate interests to the long-term interests, foster the spirit of doing everything for socialist modernization and for the socialist motherland and carry forward the lofty spirit of patriotism and internationalism through effective propaganda and educational work, ideological and political work and the work in various other spheres. Strengthening cultural development and ideological education is aimed at inspiring more and more members of our society to become working people with lofty ideals, moral integrity, education and a sense of discipline.

The enhancement of the mental outlook and ideological values of every member of our society will inevitably find expression in social relations. While building socialist spiritual civilization, we must also foster and develop a new type of social relations which embody socialist spiritual civilization. These relations refer to the relationship of mutual respect, mutual concern, equality, friendship and solidarity in the various intercourses of people's social life, such as the economic, political and family life, and they also contain solidarity, friendship and mutual assistance in common struggle and common progress among the people of all nationalities throughout the country in terms of ideology, politics and morality and justice, and a relationship which is based on the identity of fundamental interests. At present, there still exist various problems in the social relations of our country. This is because it has not been long since the establishment of our socialist society which "still bears the birthmark of the old society

in the various fields--the economic, the moral and the spiritual." ("Selected Works of Marx and Engels," Vol 3, p 10) All this coupled with the pernicious influence of anarchism and out-and-out egoism incited by the Lin Biao and Jiang Qing counterrevolutionary cliques during the "Great Cultural Revolution," has not been eliminated up to now. This cannot but bring a serious negative influence in social relations. In order to foster and develop the new type of social relations, apart from doing a good job in the building of material civilization, the most fundamental measure is to educate the people in revolutionary ideals, morality and discipline and to oppose the corrosive influences of feudal and capitalist ideologies.

To build socialist spiritual civilization and strengthen ideological education, we must organize a mighty contingent of militant ideological workers able to persuade and act as a magnet for others and also mobilize the whole party and all people to enthusiastically plunge into the building of socialist spiritual civilization. Since ideological education in our party is the pillar of the building of socialist spiritual civilization in the whole society, so the leadership of the party and the exemplary role which the party members morally and ideologically play are of decisive significance.

To build socialist spiritual civilization and strengthen ideological education, we must do a good job in the various types of work, mainly in doing more to educate the masses of people, and first of all the cadres and youth, in Marxism-Leninism-Mao Zedong Thought and in history, morality and discipline; we must promote education in ideals, morality and discipline among the entire population, and first of all among the youth, within the next 5 years. In the last years, the mass activities for building spiritual civilization unfolded in the PLA and among the people in general should be developed and persisted in. We must bring about a fundamental turn for the better in standards of social conduct.

All of us must, through study, deepen our understanding, heighten our confidence and wage resolute struggle against the various unhealthy tendencies in society and the vile social evils in light of the actual conditions and make contributions in bringing about a fundamental turn for the better in standards of social conduct and in building socialist spiritual civilization.

CSO: 4004/5

OUR BANNER IS COMMUNISM

Beijing RED FLAG in Chinese No 19, 1 Oct 82 inside back cover

[Song with lyrics by Li Yourong [2621 0671 1369], music by Meng Xianbin [1322 2009 2430]]

[Text] With pride:

1. We are the boys and girls who are vigorously developing China,  
We have achieved glorious and heroic achievements  
And the ideal within our hearts  
Is communism in all its magnificence.  
Oh! Communism!  
Our great banner,  
You surge forward with greater strength than all the streams and rivers,  
You are more magnificent than the rays of the sun  
You encourage us to go and suffer and struggle  
In order to achieve internationalism  
Struggling until the end!
  
2. We have drawn up the blueprint for the four modernizations,  
We will cultivate the flower of effervescent culture,  
And the culture toward which we are heading  
Is that of glorious communism.  
Oh! Communism!  
Our radiant banner,  
You are more radiant than the crimson clouds,  
More breathtaking than the spring scenery,  
You encourage us to go and vigorously develop China,  
In order to achieve internationalism,  
Struggling until the end!

CSO: 4004/5

END